State:VermontGMCBFiling Company:MVP Health Plan, Inc.TOI/Sub-TOI:HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.002C Any Size Group -

нио

Product Name: VT 2015 Exchange Filing Rates

Project Name/Number: /

### Filing at a Glance

Company: MVP Health Plan, Inc.

Product Name: VT 2015 Exchange Filing Rates

State: VermontGMCB

TOI: HOrg02G Group Health Organizations - Health Maintenance (HMO)

Sub-TOI: HOrg02G.002C Any Size Group - HMO

Filing Type: GMCB Rate
Date Submitted: 06/02/2014

SERFF Tr Num: MVPH-129560321

SERFF Status: Assigned

State Tr Num: State Status: Co Tr Num:

Implementation 01/01/2015

Date Requested:

Author(s): Kristen Marsh, Matt Lombardo, Evan Steinhart, Eric Bachner

Reviewer(s): Thomas Crompton (primary), Kelly Macnee, David Dillon, Judith Henkin, Jacqueline Lee

Disposition Date:
Disposition Status:
Implementation Date:

State Filing Description:

 State:
 VermontGMCB
 Filing Company:
 MVP Health Plan, Inc.

 TOI/Sub-TOI:
 HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.002C Any Size Group

нио

Product Name: VT 2015 Exchange Filing Rates

Project Name/Number:

### **General Information**

Project Name: Status of Filing in Domicile:
Project Number: Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:

Explanation for Combination/Other: Market Type: Group

Submission Type: New Submission Group Market Size: Small Group Market Type: Overall Rate Impact: 14.4%

Filing Status Changed: 06/02/2014

State Status Changed: Deemer Date:

Created By: Matt Lombardo Submitted By: Eric Bachner

Corresponding Filing Tracking Number:

PPACA: Grandfathered Immed Mkt Reforms

PPACA Notes: null

Include Exchange Intentions: No

Filing Description:

The proposed rates included within this exchange filing are available to small groups and individuals with effective dates of coverage beginning between January 1, 2015 and December 31, 2015.

### **Company and Contact**

### **Filing Contact Information**

Matt Lombardo, mlombardo@mvphealthcare.com

625 State Street 518-388-2483 [Phone]

Schenectady, NY 12305

#### **Filing Company Information**

MVP Health Plan, Inc.CoCode: 95521State of Domicile: New York625 State StreetGroup Code: 1198Company Type: HealthSchenectady, NY 12305Group Name:Maintenance Organization

(518) 388-2469 ext. [Phone] FEIN Number: 14-1640868 State ID Number:

## **Filing Fees**

Fee Required? Yes
Fee Amount: \$150.00
Retaliatory? No

Fee Explanation:

State: VermontGMCB Filing Company: MVP Health Plan, Inc.

TOI/Sub-TOI: HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.002C Any Size Group - HMO

**Product Name:** VT 2015 Exchange Filing Rates

Project Name/Number: /

# **Correspondence Summary**

**Filing Notes** 

Subject	Note Type	Created By	Created On	Date Submitted
Filing submitted	Note To Reviewer	Eric Bachner	06/02/2014	06/02/2014

State:VermontGMCBFiling Company:MVP Health Plan, Inc.TOI/Sub-TOI:HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.002C Any Size Group -

нио

Product Name: VT 2015 Exchange Filing Rates

Project Name/Number: /

### **Note To Reviewer**

Created By:

Eric Bachner on 06/02/2014 03:58 PM

Last Edited By:

Eric Bachner

**Submitted On:** 

06/02/2014 03:59 PM

Subject:

Filing submitted

**Comments:** 

Tom,

We believe that we have attached all necessary documents for the rate filing and submitting it now. If you have any questions, please refer to the email addresses provided to you by Matt Lombardo.

Thanks,

Eric Bachner

State: VermontGMCB Filing Company: MVP Health Plan, Inc.

TOI/Sub-TOI: HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.002C Any Size Group - HMO

**Product Name:** VT 2015 Exchange Filing Rates

Project Name/Number: /

### **Rate Information**

Rate Change Type:

Rate data applies to filing.

Filing Method: SERFF

Overall Percentage of Last Rate Revision: %

Effective Date of Last Rate Revision: 01/01/2014

Filing Method of Last Filing: SERFF

## **Company Rate Information**

Increase

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Premium for	Maximum % Change (where req'd)	Minimum % Change : (where req'd):
MVP Health Plan	, Inc. Increase	14.400%	14.400%	\$2,942,940	2,371	\$20,404,146	10.700%	18.300%

State:VermontGMCBFiling Company:MVP Health Plan, Inc.TOI/Sub-TOI:HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.002C Any Size Group -

НМО

Product Name: VT 2015 Exchange Filing Rates

Project Name/Number: /

### **Rate Review Detail**

**COMPANY:** 

Company Name: MVP Health Plan, Inc.

HHS Issuer Id: 77566

#### **PRODUCTS:**

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
Vermont HMO Contract Grp	77566VT005	77566VT005	1857
Vermont HMO Contract Ind	77566VT004	77566VT004	2941

Trend Factors:

FORMS:

New Policy Forms: Affected Forms:

Other Affected Forms: VT Exchange COC

#### **REQUESTED RATE CHANGE INFORMATION:**

Change Period: Annual
Member Months: 57,576
Benefit Change: Increase

Percent Change Requested: Min: 10.7 Max: 18.3 Avg: 15.4

**PRIOR RATE:** 

Total Earned Premium: 20,404,146.00 Total Incurred Claims: 18,423,370.00

Annual \$: Min: 168.92 Max: 513.21 Avg: 354.86

**REQUESTED RATE:** 

Projected Earned Premium: 23,347,087.00 Projected Incurred Claims: 19,995,518.00

Annual \$: Min: 186.40 Max: 577.30 Avg: 405.50

State: VermontGMCB Filing Company: MVP Health Plan, Inc.

TOI/Sub-TOI: HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.002C Any Size Group - HMO

**Product Name:** VT 2015 Exchange Filing Rates

Project Name/Number: /

## **Supporting Document Schedules**

Ontintinal Hama	
Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	Federal AVC Screenshots for All Plans.pdf MVP Vermont Essential Health Benefits.pdf VT 2015 Exchange Rate Filing - SERFF.pdf VT 2015 Exchange Rate Filing - SERFF.xlsx
Item Status:	
Status Date:	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	Please see attached files.
Attachment(s):	VT 2015 Exchange Actuarial Memorandum.pdf VT 2015 Federal Actuarial Memorandum.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Civil Union Rating Requirements
Comments:	MVP's benefits being offered comply with the Civil Union rating requirements outlined in 8 V.S.A. § 4724.
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Consumer Disclosure Form
Comments:	
Attachment(s):	Consumer Disclosure Form about Rate Increases - VT Exchange 2015.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Filing Compliance Certification
Comments:	
Attachment(s):	Certification of Compliance - VT.pdf
Item Status:	
Status Date:	
Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	N/A

SERFF Tracking #: MVPH-129560321 State Tracking #: Company Tracking #: **VermontGMCB** Filing Company: MVP Health Plan, Inc. State: TOI/Sub-TOI: HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.002C Any Size Group - HMO VT 2015 Exchange Filing Rates Product Name: Project Name/Number: Attachment(s): **Item Status:** Status Date: Satisfied - Item: Unified Rate Review Template Comments: URRT VT 2015 - SERFF.xlsm Attachment(s): UnifiedRateReviewSubmission\_VT\_Exchange\_2015\_20140529164040.xml URRT VT 2015 - SERFF.pdf **Item Status: Status Date:** Satisfied - Item: **Actuarial Memorandum Dataset** Comments: Actuarial Memo Dataset SERFF.xlsx Attachment(s): Actuarial Memo Dataset SERFF.pdf **Item Status: Status Date:** Satisfied - Item: Plan Management Rates Template Comments: Rate Data Template\_VT\_SMAL\_ON\_20140528.xlsm Rate Data Template\_VT\_SMAL\_ON\_20140528.pdf Attachment(s): Rate Data Template\_VT\_SMAL\_ON\_20140528.xml

Item Status: Status Date:

State: VermontGMCB Filing Company: MVP Health Plan, Inc.

TOI/Sub-TOI: HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.002C Any Size Group - HMO

**Product Name:** VT 2015 Exchange Filing Rates

Project Name/Number: /

Attachment VT 2015 Exchange Rate Filing - SERFF.xlsx is not a PDF document and cannot be reproduced here.

Attachment URRT VT 2015 - SERFF.xlsm is not a PDF document and cannot be reproduced here.

Attachment UnifiedRateReviewSubmission\_VT\_Exchange\_2015\_20140529164040.xml is not a PDF document and cannot be reproduced here.

Attachment Actuarial Memo Dataset SERFF.xlsx is not a PDF document and cannot be reproduced here.

Attachment Rate Data Template\_VT\_SMAL\_ON\_20140528.xlsm is not a PDF document and cannot be reproduced here.

Attachment Rate Data Template\_VT\_SMAL\_ON\_20140528.xml is not a PDF document and cannot be reproduced here.

User Inputs for Plan Parameters								
Use Integrated Medical and Drug Deductible?			HSA/HRA Options	1	Nar	row Network Op	tions	
Apply Inpatient Copay per Day?		HSA/HRA Em	oloyer Contribution	? 🗆	Blended Net	work/POS Plan?		
Apply Skilled Nursing Facility Copay per Day?		Annual Contr	ibution Amount:		1s <sup>-</sup>	Tier Utilization:		
Use Separate OOP Maximum for Medical and Drug Spending?		Allitual Collici	ibution Amount.		2nd	l Tier Utilization:		
Indicate if Plan Meets CSR Standard?	. 🗆 🔃							
Desired Metal Tier_	Bronze			_				
	Tie	er 1 Plan Benefit De	esign		Tier	2 Plan Benefit D	esign	
	Medical	Drug	Combined		Medical	Drug	Combined	
Deductible (\$)	\$3,000.00	\$200.00						
Coinsurance (%, Insurer's Cost Share)	50.00%	40.00%						
OOP Maximum (\$)	\$6,6	00.00						
OOP Maximum if Separate (\$)			\$0.00					
Click Here for Important Instructions		Ti	er 1			Tie	er 2	
GREK FIGURE FOR HISTORIAN AND ACCOUNTS	Subject to	Subject to	Coinsurance, if	Copay, if	Subject to	Subject to	Coinsurance, if	Copay, if
Type of Benefit	Deductible?	Coinsurance?	different	separate	Deductible?	Coinsurance?	different	separate
Medical	✓ All	All	unierent	зерагасе	✓ All	✓ All	umerent	зерагасе
Emergency Room Services		✓			7			
All Inpatient Hospital Services (inc. MHSA)	<u> </u>	<u> </u>			✓	<u> </u>		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	<u> </u>			\$30.00	<b>✓</b>	<u> </u>		
Specialist Visit	<u> </u>			\$100.00	<b>✓</b>	✓		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient		_		\$100.00				
Services	<b>V</b>	<b>V</b>			✓	✓		
Imaging (CT/PET Scans, MRIs)	<b>V</b>	<b>V</b>			<b>✓</b>	✓		
Rehabilitative Speech Therapy	<u> </u>				7	<u> </u>		
nendamente specen merapy								
Rehabilitative Occupational and Rehabilitative Physical Therapy	<b>V</b>	<b>V</b>			<b>✓</b>	<b>✓</b>		
Preventive Care/Screening/Immunization			100%	\$0.00			100%	\$0.00
Laboratory Outpatient and Professional Services	<b>V</b>	<b>✓</b>			✓	✓		
X-rays and Diagnostic Imaging	<b>V</b>	7			✓	✓		
Skilled Nursing Facility	<b>V</b>	<b>✓</b>			✓	✓		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	<b>V</b>	<b>V</b>			<b>✓</b>	<b>✓</b>		
Outpatient Surgery Physician/Surgical Services	<b>✓</b>	<b>V</b>			<b>√</b>	<b>√</b>		
Drugs	✓ AII	✓ AII			✓ All	✓ All		
Generics	<b>V</b>			\$16.00	✓	✓		
Preferred Brand Drugs	<u> </u>			\$90.00	<b>✓</b>	✓		
Non-Preferred Brand Drugs	<b>V</b>	7			<b>✓</b>	✓		
Specialty Drugs (i.e. high-cost)	<b>V</b>	<b>✓</b>			✓	✓		
Options for Additional Benefit Design Limits:		=						
Set a Maximum on Specialty Rx Coinsurance Payments?								
Specialty Rx Coinsurance Maximum:			Generic	\$20.00				
Set a Maximum Number of Days for Charging an IP Copay?			VBID	\$3.00				
# Days (1-10):								
Begin Primary Care Cost-Sharing After a Set Number of Visits?			facility					
# Visits (1-10):		1	Surgery					
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?								
# Copays (1-10):		_						
Output								

Status/Error Messages: Calculation Successful.
Actuarial Value: 59.9%

Metal Tier: Bronze

User Inputs for Plan Parameters								
Use Integrated Medical and Drug Deductible?	<b>✓</b>		HSA/HRA Options		Nar	row Network Op	otions	
Apply Inpatient Copay per Day?		HSA/HRA Emp	loyer Contribution?		Blended Net	twork/POS Plan?		
Apply Skilled Nursing Facility Copay per Day?		Annual Contrib	hution Amount:		1s	t Tier Utilization:		
Use Separate OOP Maximum for Medical and Drug Spending?		Allitual Collitii	bution Amount:		2nd	d Tier Utilization:		
Indicate if Plan Meets CSR Standard?								
Desired Metal Tier_	Bronze ▼							
	Tie	r 1 Plan Benefit De	sign		Tier	2 Plan Benefit D	esign	
	Medical	Drug	Combined		Medical	Drug	Combined	
Deductible (\$)			\$6,400.00					
Coinsurance (%, Insurer's Cost Share)			100.00%					
OOP Maximum (\$)			\$6,400.00					
OOP Maximum if Separate (\$)								
Click Here for Important Instructions		Tie	ar 1			Ti	er 2	
Click Here for important matructions	Subject to	Subject to	Coinsurance, if	Copay, if	Subject to	Subject to	Coinsurance, if	Copay, if
Type of Benefit	Deductible?	Coinsurance?	different		Deductible?	Coinsurance?	different	
Medical	✓ All	All	unierent	separate	✓ All	✓ All	unierent	separate
Emergency Room Services					7			
All Inpatient Hospital Services (inc. MHSA)	<u> </u>				7	<b>√</b>		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	<u> </u>				✓			
Specialist Visit	<u> </u>				✓	<u>√</u>		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient								
Services	<b>V</b>				✓	✓		
Imaging (CT/PET Scans, MRIs)	<b>V</b>				<b>V</b>	<b>√</b>		
Rehabilitative Speech Therapy	<u> </u>				7	<u> </u>		
nenasinta are opecan merapy								
Rehabilitative Occupational and Rehabilitative Physical Therapy	<b>✓</b>				✓	✓		
Preventive Care/Screening/Immunization			100%	\$0.00			100%	\$0.00
Laboratory Outpatient and Professional Services	<b>4</b>				<b>✓</b>	<b>√</b>		
X-rays and Diagnostic Imaging	<b>4</b>				<b>✓</b>	<b>√</b>		
Skilled Nursing Facility	<b>V</b>				<b>✓</b>	<b>✓</b>		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	<b>V</b>				<b>✓</b>	<b>V</b>		
Outpatient Surgery Physician/Surgical Services	<b>V</b>				<b>✓</b>	<b>√</b>		
Drugs	✓ All	All			✓ All	AII		
Generics	<b>√</b>				<b>√</b>	<u> </u>		
Preferred Brand Drugs	7				<b>V</b>	<b>√</b>		
Non-Preferred Brand Drugs	7				<b>✓</b>	✓		
Specialty Drugs (i.e. high-cost)	<b>V</b>				<b>✓</b>	<b>√</b>		
Options for Additional Benefit Design Limits:								
Set a Maximum on Specialty Rx Coinsurance Payments?								
Specialty Rx Coinsurance Maximum:								
Set a Maximum Number of Days for Charging an IP Copay?								
# Days (1-10):								
Begin Primary Care Cost-Sharing After a Set Number of Visits?								
# Visits (1-10):	_							
	<b>√</b>							
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?								
# Copays (1-10):	3							
Output								

Status/Error Messages: Calculation Successful. 60.4%

Actuarial Value: Metal Tier: Bronze

User Inputs for Plan Parameters								
Use Integrated Medical and Drug Deductible?			HSA/HRA Options		Naı	row Network Op	otions	
Apply Inpatient Copay per Day?		HSA/HRA Emp	oloyer Contribution	<u> </u>	Blended Ne	twork/POS Plan?		
Apply Skilled Nursing Facility Copay per Day?		Annual Contri	ibution Amount:		1s	t Tier Utilization:		
Use Separate OOP Maximum for Medical and Drug Spending?	<b>✓</b>	Annual Contri	bation Amount.		2nd	d Tier Utilization:		
Indicate if Plan Meets CSR Standard?	. $\square$							
Desired Metal Tier_	Silver			-				
	Tie	er 1 Plan Benefit De	esign		Tie	2 Plan Benefit D		
	Medical	Drug	Combined		Medical	Drug	Combined	
Deductible (\$)	\$1,800.00	\$250.00						
Coinsurance (%, Insurer's Cost Share)	50.00%	50.00%						
OOP Maximum (\$)				4		1		
OOP Maximum if Separate (\$)	\$5,300.00	\$1,300.00	\$6,600.00			ļ	J	
Click Here for Important Instructions		Tie	er 1			Ti	er 2	
	Subject to	Subject to	Coinsurance, if	Copay, if	Subject to	Subject to	Coinsurance, if	Copay, if
Type of Benefit	Deductible?	Coinsurance?	different	separate	Deductible?	Coinsurance?	different	separate
Medical	✓ AII	All		•	✓ All	✓ All		•
Emergency Room Services	<b>V</b>			\$250.00	✓	<b>√</b>		
All Inpatient Hospital Services (inc. MHSA)	<b>V</b>	<b>V</b>			<b>✓</b>	<b>√</b>		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)				\$15.00	<b>✓</b>	<b>✓</b>		
Specialist Visit	<b>V</b>			\$50.00	<b>√</b>	<b>√</b>		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient				Ć45.00				
Services	<b>▽</b>			\$15.00	✓	<b>✓</b>		
Imaging (CT/PET Scans, MRIs)	<b>V</b>			\$650.00	✓	<b>√</b>		
Rehabilitative Speech Therapy	<b>V</b>			\$50.00	<b>✓</b>	<b>√</b>		
Rehabilitative Occupational and Rehabilitative Physical Therapy	<b>V</b>			\$50.00	<b>V</b>	<b>V</b>		
Preventive Care/Screening/Immunization			100%	\$0.00			100%	\$0.00
Laboratory Outpatient and Professional Services	<u> </u>		20072	\$50.00	7	<u> </u>		70.00
X-rays and Diagnostic Imaging				\$100.00	<b>▽</b>			
Skilled Nursing Facility	<u> </u>	<u> </u>		¥ ======	<b>▽</b>	<u> </u>		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)			37.98%		<b>✓</b>			
Outpatient Surgery Physician/Surgical Services	<b>V</b>	<b>√</b>	54.04%		<b>✓</b>	<b>√</b>		
Drugs	✓ All	✓ AII			✓ All	✓ All		
Generics	<b>√</b>			\$10.00	✓	<u> </u>		
Preferred Brand Drugs	<b>V</b>			\$40.00	<b>✓</b>	<b>√</b>		
Non-Preferred Brand Drugs	<b>V</b>	<b>4</b>		·	<b>✓</b>	<b>√</b>		
Specialty Drugs (i.e. high-cost)	<b>V</b>	~			✓	<b>√</b>		
Options for Additional Benefit Design Limits:								
Set a Maximum on Specialty Rx Coinsurance Payments?								
Specialty Rx Coinsurance Maximum:			Generic	\$12.00				
Set a Maximum Number of Days for Charging an IP Copay? # Days (1-10):			VBID	\$3.00				
			facility	\$1,400.00				
# Visits (1-10):			Surgery	\$600.00				
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?								
# Copays (1-10):								
Output								

Status/Error Messages: Calculation Successful.
Actuarial Value: 68.14%

Silver

Metal Tier:

BASARRA Options	User Inputs for Plan Parameters								
Apply Salited Marring Facility Crays yer Day?  Use Separate OP Maximum for Needecla and Drug Spanding?  Indicate IP Plan Metes CS Sandard?  Desired Meter Tor  Medical Drug Combined  STOUDO 5200.00  S200.00  S2	Use Integrated Medical and Drug Deductible?			HSA/HRA Options		Naı	row Network Op	otions	
Use Separate COP Maximum for Medical Pilan Meters (Sa Shadand) Desired Meter International Pilan Meters (Sa Shadand) Desired Meter International Pilan Meters (Sa Shadand) Desired Meter International Pilan Meters (Sa Shadand) Medical Desired Meter International Pilan Meters (Sa Shadand) OOM Maximum (Sporate) Shadand (Sporational Pilan Meters (Sa Shadand) OOM Maximum (Sporate) Shadand (Sporational Pilan Meters (Sa Shadand) OOM Maximum (Sporate) Shadand (Sporational Pilan Meters (Sa Shadand) OOM Maximum (Sporate) Shadand (Sporational Pilan Meters (Sa Shadand) OOM Maximum (Sporate) Shadand (Sporational Pilan Meters (Sa Shadand) OOM Maximum (Sporate) Shadand (Sporational Pilan Meters (Spora	Apply Inpatient Copay per Day?		HSA/HRA Emp	oloyer Contribution?	P 🗌	Blended Ne	twork/POS Plan?		
Use Separate OP Maximum for Medical and Drug Spendings   Spendings	Apply Skilled Nursing Facility Copay per Day?		Annual Contri	hution Amount:		1s	t Tier Utilization:		
Name	Use Separate OOP Maximum for Medical and Drug Spending?		Allitual Collett	bation Amount.		2nd	d Tier Utilization:		
Time   Pinn Bronefit Design   Medical   Drug   Combined   S700.00   S700.0	Indicate if Plan Meets CSR Standard?	. 🗸							
Medical   Drug   Combined   Spoon   Combined   Spoon	Desired Metal Tier	Silver ▼			_				
Coinsurance (M, Insurary Cost Sharing Alexa See Name of Coinsurance) (M, Insurary Cost Sharing Alexa See Name of Coinsurance) (M, Insurary Cost Sharing Alexa See Name of Coinsurance) (M, Insurary Cost Sharing Alexa See Name of Coinsurance) (M, Insurary Cost Sharing Alexa See Name of Coinsurance) (M, Insurary Cooks) (M, Insurance) (M, Insurary Cooks) (M, Insurance) (M, Insuranc		Tie	er 1 Plan Benefit De	esign		Tie	2 Plan Benefit D	esign	
Coinsurance (%, Insurer's Cost Share) OOP Maximum if Separate (%)  Subject to Coinsurance, if Subject to Deductible?  NeedCal  Image: Coinsurance, if Copay, if Deductible?  Need of Image: Coinsurance, if Copay, if Need of Image: Coinsurance if Coinsurance, if Copay, if Need of Image: Coinsurance if Coinsurance if Need of Image: Coins		Medical	Drug	Combined		Medical	Drug	Combined	
Copy   Maximum (5)   Copy   Maximum (5)   S4,000.00   S1,200.00   S5,200.00	1.1	\$700.00	\$200.00						
Click Here for Important Instructions  Type of Benefit  Subject to Deductible?  Medical    Jai		70.00%	50.00%						
Type of Benefit  Type of Benefit  Medical  Intergency Room Services  Medical  Intergency Room Services (Inc. MHSA)  In patient Hospital Hospital Services (Inc. MHSA)  In patient Hospital Hospital Services (Inc. MHSA)  In patient Hospital Hospi									
Subject to   Subject to   Deductible?   Coinsurance?   Coinsurance; if   Copay, if   Deductible?   Coinsurance?   different   Separate	OOP Maximum if Separate (\$)	\$4,000.00	\$1,200.00	\$5,200.00				]	
Subject to   Subject to   Deductible?   Coinsurance?   Coinsurance; if   Copay, if   Deductible?   Coinsurance?   different   Separate	Click Here for Important Instructions		Ti	er 1			Ti	er 2	
Coinsurance	Short Here for important more actions	Subject to			Conav if	Subject to			Conav if
Medical	Type of Benefit	•	•	· ·		-		· ·	
Single   S	Medical			unierent	зерагасе		_	unierent	separate
All Inpatient Hospital Services (inc. MHSA)  Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)  Specialist Visit  Specialist Visit (Circle)  Specialist Visit  Specialist Visit  Specialist Visit (Circle)  Surgery  Specialist Visit (Circle)  Specialist Visit (Circle)  Surgery  Specialist Visit (Circle)  Spec					\$150.00				
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)  Specialist Visit  Specialist Visits  Specialist Visits  Specialist Visits Specialist Visits Specialist Visits Specialist Visits Specialist Visits Specialist Visits Specialist Visits Specialist Visits Specialist Visits Specialist Visits Specialist Visits Specialist Visits Specialist Visits Specialist Visits Specialist Visits Specialist Visits Specialist Visits Specialist Visits Specialist Visits Surgery Su			<u> </u>		7-20:00				
Mental/Behavioral Health and Substance Abuse Disorder Outpatient  Services Imaging (CT/PET Scans, MRIs)  Rehabilitative Speech Therapy  Rehabilitative Occupational and Rehabilitative Physical Therapy  Preventive Care/Screening/Immunization  Laboratory Outpatient and Professional Services  Variant Disorder Outpatient Disorder Outpatient Disorder Outpatient Disorder Outpatient Disorder					\$10.00	<b>✓</b>	<b>✓</b>		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient  Services Imaging (CT/PET Scans, MRIs)  Rehabilitative Speech Therapy  Rehabilitative Occupational and Rehabilitative Physical Therapy  Preventive Care/Screening/Immunization  Laboratory Outpatient and Professional Services  Variant Disorder Outpatient Disorder Outpatient Disorder Outpatient Disorder Outpatient Disorder	Specialist Visit	[J]			\$50.00	V	<b>7</b>		
Services	'				۷٥٥.00				
Imaging (CT/PET Scans, MRIs)  Rehabilitative Speech Therapy  Rehabilitative Speech Therapy  Preventive Care/Screening/Immunization  I 100% \$0.00  I 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	l ·	<b>V</b>			\$10.00	✓	<b>√</b>		
Rehabilitative Speech Therapy  Rehabilitative Occupational and Rehabilitative Physical Therapy  Preventive Care/Screening/Immunization  Laboratory Outpatient and Professional Services  X-rays and Diagnostic Imaging  V		7	П		\$400.00	<b>V</b>	7		
Rehabilitative Occupational and Rehabilitative Physical Therapy  Preventive Care/Screening/Immunization Laboratory Outpatient and Professional Services  V									
Rehabilitative Occupational and Rehabilitative Physical Therapy Preventive Care/Screening/Immunization Laboratory Outpatient and Professional Services V	nenasmaarra apeaan marapi				•				
Preventive Care/Screening/Immunization	Rehabilitative Occupational and Rehabilitative Physical Therapy	V	Ш		\$50.00	V	✓		
Laboratory Outpatient and Professional Services  X-rays and Diagnostic Imaging  \[ \text{J} \] \$100.00 \[ \text{J} \] \$200.00 \[ \text{J} \] \$100.00 \[ \text{J} \] \$200.00				100%	\$0.00			100%	\$0.00
X-rays and Diagnostic Imaging  X-rays and Diagnos  X-ray and Diag		<b>V</b>			\$50.00	✓			
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)  Outpatient Surgery Physician/Surgical Services  Prugs  O'All VAII  Generics  Preferred Brand Drugs  Non-Preferred Brand Drugs  Specialty Drugs (i.e. high-cost)  Options for Additional Benefit Design Limits:  Set a Maximum on Specialty Rx Coinsurance Payments?  Specialty Rx Coinsurance Maximum:  Set a Maximum Number of Days for Charging an IP Copay?  # Days (1-10):  Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?  # Copays (1-10):  # Copays (1-10):					\$100.00	<b>✓</b>	<b>V</b>		
Outpatient Surgery Physician/Surgical Services  Drugs  Outpatient Surgery Physician/Surgical Services  Outpatient Surgery Surgical Surgery Sur			<b>V</b>			<b>✓</b>	<b>√</b>		
Drugs	Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	7	<b>V</b>	64.56%		<b>✓</b>	<b>✓</b>		
Drugs	Outpatient Surgery Physician/Surgical Services	<b>V</b>	<b>V</b>	69.36%		<b>✓</b>	<b>√</b>		
Generics  Preferred Brand Drugs  Non-Preferred Brand Drugs  Specialty Drugs (i.e. high-cost)  Options for Additional Benefit Design Limits:  Set a Maximum on Specialty Rx Coinsurance Payments?  Specialty Rx Coinsurance Maximum:  Set a Maximum Number of Days for Charging an IP Copay?  # Days (1-10):  Begin Primary Care Cost-Sharing After a Set Number of Visits?  # Visits (1-10):  Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?  # Copays (1-10):			✓ AII	00.007		✓ All	✓ All		
Preferred Brand Drugs    V	_		_		\$10.00	<b>✓</b>	<b>V</b>		
Non-Preferred Brand Drugs  Specialty Drugs (i.e. high-cost)  Options for Additional Benefit Design Limits:  Set a Maximum on Specialty Rx Coinsurance Payments?  Specialty Rx Coinsurance Maximum:  Specialty Rx Coinsurance Maximum:  Specialty Rx Coinsurance Maximum:  Generic \$12.00  VBID \$3.00  # Days (1-10):  Begin Primary Care Cost-Sharing After a Set Number of Visits?  # Visits (1-10):  Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?  # Copays (1-10):	Preferred Brand Drugs				\$40.00	<b>✓</b>	<b>V</b>		
Options for Additional Benefit Design Limits:  Set a Maximum on Specialty Rx Coinsurance Payments?  Specialty Rx Coinsurance Maximum:  Specialty Rx Coinsurance Maximum:  Specialty Rx Coinsurance Maximum:  Specialty Rx Coinsurance Maximum:  Set a Maximum Number of Days for Charging an IP Copay?  # Days (1-10):  Begin Primary Care Cost-Sharing After a Set Number of Visits?  # Visits (1-10):  Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?  # Copays (1-10):  # Copays (1-10):	Non-Preferred Brand Drugs	7	<b>V</b>			<b>✓</b>	<b>√</b>		
Set a Maximum on Specialty Rx Coinsurance Payments?  Specialty Rx Coinsurance Maximum:  Set a Maximum Number of Days for Charging an IP Copay?  # Days (1-10):  Begin Primary Care Cost-Sharing After a Set Number of Visits?  # Visits (1-10):  Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?  # Copays (1-10):  # Copays (1-10):  # Copays (1-10):  Generic \$12.00  VBID \$3.00  Facility \$800.00  Surgery \$400.00	Specialty Drugs (i.e. high-cost)	<b>V</b>	<b>V</b>			✓	<b>√</b>		
Specialty Rx Coinsurance Maximum:  Set a Maximum Number of Days for Charging an IP Copay?  # Days (1-10):  Begin Primary Care Cost-Sharing After a Set Number of Visits?  # Visits (1-10):  Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?  # Copays (1-10):  Generic \$12.00  VBID \$3.00  Facility \$800.00  Surgery \$400.00	Options for Additional Benefit Design Limits:								
Set a Maximum Number of Days for Charging an IP Copay?  # Days (1-10):  Begin Primary Care Cost-Sharing After a Set Number of Visits?  # Visits (1-10):  Surgery  # Samo 0  Surgery  \$400.00	Set a Maximum on Specialty Rx Coinsurance Payments?								
# Days (1-10):  Begin Primary Care Cost-Sharing After a Set Number of Visits?	Specialty Rx Coinsurance Maximum:			Generic	\$12.00				
Begin Primary Care Cost-Sharing After a Set Number of Visits?  # Visits (1-10):  Begin Primary Care Deductible/Coinsurance After a Set Number of Copays? # Copays (1-10):  facility \$800.00  Surgery \$400.00	Set a Maximum Number of Days for Charging an IP Copay?			VBID	\$3.00				
# Visits (1-10):  Begin Primary Care Deductible/Coinsurance After a Set Number of Copays? # Copays (1-10):									
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays? # Copays (1-10):	I								
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays? # Copays (1-10):	# Visits (1-10):		_	Surgery	\$400.00				
# Copays (1-10):									
	, , , , , , , , , , , , , , , , , , , ,								
			⊒						

Status/Error Messages: CSR Level of 73% (200-250% FPL), Calculation Successful.

73.9%

Silver

Actuarial Value:

Metal Tier:

Use Integrated Medical and Drug Deductible?			HSA/HRA Options		Narrow Network Options			
Apply Inpatient Copay per Day?		HSA/HRA Em	ployer Contribution?	? 🗆	Blended Ne	twork/POS Plan?		
Apply Skilled Nursing Facility Copay per Day?		Annual Contr	ibution Amount:		1s	t Tier Utilization:		
Use Separate OOP Maximum for Medical and Drug Spending?	$\checkmark$	Allitual Collici	ibation Amount.		2nd	d Tier Utilization:		
Indicate if Plan Meets CSR Standard?	. ✓							
Desired Metal Tier	Gold ▼			_				
	Tie	r 1 Plan Benefit D	esign		Tie	r 2 Plan Benefit D	Design	
	Medical	Drug	Combined		Medical	Drug	Combined	
Deductible (\$)	\$300.00	\$100.00						
Coinsurance (%, Insurer's Cost Share)	80.00%	60.00%						
OOP Maximum (\$)								
OOP Maximum if Separate (\$)	\$4,000.00	\$1,200.00	\$5,200.00				]	
_								
Click Here for Important Instructions		Ti	er 1			Ti	er 2	
Type of Benefit	Subject to	Subject to	Coinsurance, if	Copay, if	Subject to	Subject to	Coinsurance, if	Copay, if
туре от венени	Deductible?	Coinsurance?	different	separate	Deductible?	Coinsurance?	different	separate
Medical	✓ AII	All			✓ All	✓ AII		
Emergency Room Services	7			\$100.00	<b>✓</b>	<b>√</b>		
All Inpatient Hospital Services (inc. MHSA)	7	<b>√</b>			✓	<b>√</b>		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)				\$5.00	<b>✓</b>	<b>V</b>		
Specialist Visit	<b>7</b>			\$40.00	<b>√</b>	<b>7</b>		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient				·				
Services	<b>V</b>			\$5.00	✓	<b>✓</b>		
Imaging (CT/PET Scans, MRIs)	<b>7</b>			\$200.00	<b>✓</b>	<b>V</b>		
Rehabilitative Speech Therapy				\$40.00	✓			
Rehabilitative Occupational and Rehabilitative Physical Therapy				\$40.00	<b>✓</b>	<b>✓</b>		
Preventive Care/Screening/Immunization		П	100%	\$0.00			100%	\$0.00
Laboratory Outpatient and Professional Services	7		10070	\$40.00	<b>□</b>	7	10070	Ş0.00
X-rays and Diagnostic Imaging	· ·			\$100.00	<u> </u>	7		
Skilled Nursing Facility	<b>√</b>			\$100.00	<b>√</b>	7		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	· ·	<u>.</u>	82.28%		<u>√</u>	<u>.</u> ✓		
	<b>V</b>	<b>V</b>	84.68%		<b>√</b>	<b>√</b>		
Outpatient Surgery Physician/Surgical Services	✓ AII	✓ AII	64.06%		✓ All	✓ All		
Drugs Generics	✓ All			\$10.00	✓ All	✓ All		
Preferred Brand Drugs	<b>✓</b>			\$40.00	<b>✓</b>	<b>√</b>		
Non-Preferred Brand Drugs	<b>▽</b>			\$40.00	<b>√</b>	7		
Specialty Drugs (i.e. high-cost)	7				<b>√</b>	7		
Options for Additional Benefit Design Limits:	Ū							
Set a Maximum on Specialty Rx Coinsurance Payments?		ī						
Specialty Rx Coinsurance Payments:  Specialty Rx Coinsurance Maximum:	Ш		Generic	\$12.00				
Set a Maximum Number of Days for Charging an IP Copay?		+	VBID	\$3.00				
			VDID	\$5.00				
# Days (1-10):  Begin Primary Care Cost-Sharing After a Set Number of Visits?		+	facility	\$400.00				
# Visits (1-10):			Surgery	\$200.00				
# VISITS (1-10).		1	Juigery	9200.00				
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	Ш							
# Copays (1-10):								
Output # Copays (1-10).		J						

Status/Error Messages:

**User Inputs for Plan Parameters** 

Error: Result is outside of +/- 1 percent de minimis variation for CSRs.

77.97%

Actuarial Value: Metal Tier:

ue:

User Inputs for Plan Parameters								
Use Integrated Medical and Drug Deductible?			HSA/HRA Options		Nar	row Network Op	otions	
Apply Inpatient Copay per Day?		HSA/HRA Emp	oloyer Contribution?		Blended Net	work/POS Plan?		
Apply Skilled Nursing Facility Copay per Day?		Annual Contri	bution Amount:		1s <sup>-</sup>	t Tier Utilization:		
Use Separate OOP Maximum for Medical and Drug Spending?	$\checkmark$	Allitual Collett	batton Amount.		2nd	d Tier Utilization:		
Indicate if Plan Meets CSR Standard?	. ☑							
Desired Metal Tier_	Gold			<b>-</b>				
	Tie	er 1 Plan Benefit De			Tier	2 Plan Benefit D	Design	
	Medical	Drug	Combined		Medical	Drug	Combined	
Deductible (\$)	\$60.00	\$50.00						
Coinsurance (%, Insurer's Cost Share)	90.00%	60.00%						
OOP Maximum (\$)						T		
OOP Maximum if Separate (\$)	\$1,800.00	\$450.00	\$2,250.00					
Click Here for Important Instructions		Ti	er 1			Ti	er 2	
	Subject to	Subject to	Coinsurance, if	Copay, if	Subject to	Subject to	Coinsurance, if	Copay, if
Type of Benefit	Deductible?	Coinsurance?	different	separate	Deductible?	Coinsurance?	different	separate
Medical	✓ All	□ AII	unicient	Separate	✓ All	✓ All	unicient	зеригисе
Emergency Room Services	<u> </u>			\$100.00	7	<u> </u>		
All Inpatient Hospital Services (inc. MHSA)		<u> </u>		,				
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)				\$5.00	<b>V</b>	<b>✓</b>		
Specialist Visit	<b>V</b>			\$30.00	<b>✓</b>	<b>√</b>		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient				Ç30.00				
Services	<b>✓</b>			\$5.00	✓	✓		
Imaging (CT/PET Scans, MRIs)	<b>V</b>			\$100.00	<b>V</b>	<b>√</b>		
Rehabilitative Speech Therapy	<u> </u>			\$30.00	7			
1				·	_			
Rehabilitative Occupational and Rehabilitative Physical Therapy	<b>V</b>			\$30.00	<b>✓</b>	✓		
Preventive Care/Screening/Immunization			100%	\$0.00			100%	\$0.00
Laboratory Outpatient and Professional Services	<b>✓</b>			\$30.00	<b>√</b>	<b>√</b>		
X-rays and Diagnostic Imaging	<b>✓</b>			\$30.00	<b>V</b>	<b>√</b>		
Skilled Nursing Facility	<b>✓</b>	<b>✓</b>			<b>V</b>	<b>✓</b>		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	<b>V</b>	<b>V</b>	95.77%		<b>V</b>	<b>V</b>		
Outpatient Surgery Physician/Surgical Services	<b>✓</b>	<b>√</b>	94.60%		<b>V</b>	✓		
Drugs	✓ All	✓ AII			✓ All	✓ All		
Generics	<b>V</b>			\$8.00	<b>V</b>	<b>√</b>		
Preferred Brand Drugs	<b>V</b>			\$25.00	<b>V</b>	✓		
Non-Preferred Brand Drugs	<b>✓</b>	<b>~</b>			<b>V</b>	<b>√</b>		
Specialty Drugs (i.e. high-cost)	<b>✓</b>	<b>V</b>			<b>V</b>	<b>✓</b>		
Options for Additional Benefit Design Limits:								
Set a Maximum on Specialty Rx Coinsurance Payments?								
Specialty Rx Coinsurance Maximum:			Generic	\$10.00				
Set a Maximum Number of Days for Charging an IP Copay?			VBID	\$3.00				
# Days (1-10):								
Begin Primary Care Cost-Sharing After a Set Number of Visits?			facility	\$100.00				
# Visits (1-10):	_	1	Surgery	\$75.00				
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?								
# Copays (1-10):		J						
Output								

CSR Level of 87% (150-200% FPL), Calculation Successful. Status/Error Messages:

Actuarial Value:

Metal Tier:

User Inputs for Plan Parameters								
Use Integrated Medical and Drug Deductible?			HSA/HRA Options		Nar	row Network Op	otions	
Apply Inpatient Copay per Day?		HSA/HRA Emp	oloyer Contribution?		Blended Net	twork/POS Plan?		
Apply Skilled Nursing Facility Copay per Day?		Annual Contri	ibution Amount:		1s	t Tier Utilization:		
Use Separate OOP Maximum for Medical and Drug Spending?	✓	Allitual Collett	ibution Amount.		2nd	d Tier Utilization:		
Indicate if Plan Meets CSR Standard?	. 🗸						_	
Desired Metal Tier	Platinum			=				
	Tie	er 1 Plan Benefit De			Tier	2 Plan Benefit D	esign	
	Medical	Drug	Combined		Medical	Drug	Combined	
Deductible (\$)	\$0.00	\$0.00						
Coinsurance (%, Insurer's Cost Share)	95.00%	95.00%						
OOP Maximum (\$)								
OOP Maximum if Separate (\$)	\$1,800.00	\$450.00	\$2,250.00					
Click Here for Important Instructions		Ti	er 1					
	Subject to	Subject to	Coinsurance, if	Copay, if	Subject to	Subject to	er 2 Coinsurance, if	Copay, if
Type of Benefit	Deductible?	Coinsurance?	different	separate	Deductible?	Coinsurance?	different	separate
Medical	All	All	unierent	зерагасе	✓ All	✓ All	unierent	зерагасе
Emergency Room Services				\$50.00	7	<b>√</b>		
All Inpatient Hospital Services (inc. MHSA)		<u> </u>		700.00	<b>✓</b>	<u> </u>		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)				\$5.00	✓			
Specialist Visit		П		\$10.00	<b>▽</b>	<b>√</b>		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient				·				
Services				\$5.00	✓	✓		
Imaging (CT/PET Scans, MRIs)		П		\$50.00	<b>✓</b>	<b>√</b>		
Rehabilitative Speech Therapy				\$10.00	7	<u> </u>		
,				·				
Rehabilitative Occupational and Rehabilitative Physical Therapy				\$10.00	✓	✓		
Preventive Care/Screening/Immunization			100%	\$0.00			100%	\$0.00
Laboratory Outpatient and Professional Services				\$10.00	<b>V</b>	<u>√</u>		
X-rays and Diagnostic Imaging				\$10.00	<b>V</b>	<b>√</b>		
Skilled Nursing Facility		<b>V</b>		·	<b>✓</b>	✓		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)		<b>V</b>	96.96%		<b>✓</b>	<b>✓</b>		
Outpatient Surgery Physician/Surgical Services		<b>4</b>	97.76%		<b>V</b>	<b>√</b>		
Drugs	All	All			✓ All	✓ All		
Generics				\$4.00	<b>V</b>	<b>√</b>		
Preferred Brand Drugs				\$10.00	<b>✓</b>	✓		
Non-Preferred Brand Drugs		<b>V</b>			<b>✓</b>	✓		
Specialty Drugs (i.e. high-cost)		<b>✓</b>			<b>✓</b>	<b>✓</b>		
Options for Additional Benefit Design Limits:								
Set a Maximum on Specialty Rx Coinsurance Payments?		1						
Specialty Rx Coinsurance Maximum:			Generic	\$5.00				
Set a Maximum Number of Days for Charging an IP Copay?			VBID	\$1.00				
# Days (1-10):								
Begin Primary Care Cost-Sharing After a Set Number of Visits?			facility	\$50.00				
# Visits (1-10):			Surgery	\$25.00				
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?								
# Copays (1-10):		_						
Output								

Status/Error Messages:

CSR Level of 94% (100-150% FPL), Calculation Successful. 94.9%

Actuarial Value:

Metal Tier: Platinum

### **APPENDIX B**

### **Standard Plan Designs**

	Deductible Plans									
Deductible/OOP Max	Platinum	Gold	Silver	Bronze	Silver	Bronze				
Type of Plan	Deductible	Deductible	Deductible	Deductible	HSA Q/HDHP	HSA Q/HDHP				
Medical Ded	\$100	\$750	\$1,900	\$3,500	\$1,550	\$2,000				
Rx Ded	\$0	\$50	\$100	\$300	\$1,250	\$1,250				
Integrated Ded	No	No	No	No	Yes	Yes				
Medical OOPM	\$1,250	\$4,250	\$5,100	\$6,350	\$5,750	\$6,250				
Rx OOPM	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250				
Integrated OOPM	No	No	No	Rx -No, Medical - Yes	Rx -No, Medical - Yes	Rx -No, Medical - Yes				
Family Deductible / OOP	Stacked, 2x Individual	Stacked, 2x Individual	Stacked, 2x Individual	Stacked, 2x Individual	Aggregate, 2x Individual	Aggregate, 2x Individual				
Medical Deductible waived for:	Prev, OV, UC, Amb, ER	Prev, OV, UC, Amb, ER	Prev, OV, UC, Amb	Preventive	Preventive	Preventive				
Drug Deductible waived for:	N/A	Generic scripts	Generic scripts	Applies to all scripts	Wellness scripts	Wellness scripts				
Service Category	Copay / Coinsurance	Copay / Coinsurance								
Inpatient <sup>1</sup>	10%	20%	40%	50%	20%	50%				
Outpatient <sup>2</sup>	10%	20%	40%	50%	20%	50%				
ER <sup>3</sup>	\$100	\$150	\$250	50%	20%	50%				
Radiology (MRI, CT, PET)	10%	20%	40%	50%	20%	50%				
Preventive	\$0	\$0	\$0	\$0	0%	0%				
PCP Office Visit	\$10	\$15	\$20	\$35	10%	50%				
MH/SA Office Visit	\$10	\$15	\$20	\$35	10%	50%				
Specialist Office Visit <sup>4</sup>	\$20	\$25	\$40	\$80	20%	50%				
Urgent Care	\$40	\$45	\$60	\$100	20%	50%				
Ambulance	\$50	\$50	\$100	\$100	20%	50%				
Rx Generic	\$5	\$5	\$12	\$20	\$10	\$12				
Rx Preferred Brand	\$40	\$40	\$50	\$80	\$40	40%				
Rx Non-Preferred Brand	50%	50%	50%	60%	50%	60%				
Actuarial Value										
Federal AVC, Adjusted if Necessary	88.0%	79.5%	71.2%	61.5%	69.2%	60.6%				

<sup>1</sup> Inpatient includes surgery, ICU/NICU, maternity, SNF and MH/SA. This cost sharing will also include physician and anesthesia costs, as appropriate.



<sup>2</sup> Outpatient includes ASCs. This cost sharing will also include physician and anesthesia costs, as appropriate.

<sup>3</sup> ER copay is waived if admitted.

<sup>4</sup> Specialist copay also applies to PT/ST/OT, vision, and any alternative medicine benefits, as appropriate.

### **Standard Plan Designs – Cost Sharing Reduction Plans (Deductibles)**

		Cost Sharing Red	uction Plan Designs - D	eductible Plans	
Deductible/OOP Max	300% FPL + (70% AV)	250-300% FPL (73% AV)	200-250% FPL (77% AV)	150-200% FPL (87% AV)	133-150% FPL (94% AV)
Type of Plan	Deductible	Deductible	Deductible	Deductible	Deductible
Medical Ded	\$1,900	\$1,900	\$1,500	\$600	\$100
Rx Ded	\$100	\$100	\$100	\$100	\$0
Integrated Ded	No	No	No	No	No
Medical OOPM	\$5,100	\$4,000	\$3,000	\$1,250	\$500
Rx OOPM	\$1,250	\$1,200	\$1,000	\$400	\$200
Integrated OOPM	No	No	No	No	No
Family Deductible / OOP	Stacked, 2x Individual	Stacked, 2x Individual	Stacked, 2x Individual	Stacked, 2x Individual	Stacked, 2x Individual
Medical Deductible waived for:	Prev, OV, UC, Amb	Prev, OV, UC, Amb	Prev, OV, UC, Amb	Prev, OV, UC, Amb	Prev, OV, UC, Amb
Drug Deductible waived for:	Generic scripts	Generic scripts	Generic scripts	Generic scripts	N/A
Service Category	Copay / Coinsurance	Copay / Coinsurance	Copay / Coinsurance	Copay / Coinsurance	Copay / Coinsurance
Inpatient <sup>1</sup>	40%	40%	40%	40%	10%
Outpatient <sup>2</sup>	40%	40%	40%	40%	10%
ER <sup>3</sup>	\$250	\$250	\$250	\$250	\$75
Radiology (MRI, CT, PET)	40%	40%	40%	40%	10%
Preventive	\$0	\$0	\$0	\$0	\$0
PCP Office Visit	\$20	\$20	\$20	\$10	\$5
MH/SA Office Visit	\$20	\$20	\$20	\$10	\$5
Specialist Office Visit <sup>4</sup>	\$40	\$40	\$40	\$30	\$15
Urgent Care	\$60	\$60	\$60	\$50	\$35
Ambulance	\$100	\$100	\$100	\$100	\$50
Rx Generic	\$12	\$12	\$12	\$10	\$5
Rx Preferred Brand	\$50	\$50	\$50	\$50	\$20
Rx Non-Preferred Brand	50%	50%	50%	50%	30%
Actuarial Value					
Federal AVC, Adjusted if Necessary	71.2%	73.3%	76.2%	86.0%	93.4%

<sup>1</sup> Inpatient includes surgery, ICU/NICU, maternity, SNF and MH/SA. This cost sharing will also include physician and anesthesia costs, as appropriate.



<sup>2</sup> Outpatient includes ASCs. This cost sharing will also include physician and anesthesia costs, as appropriate.

<sup>3</sup> ER copay is waived if admitted.

<sup>4</sup> Specialist copay also applies to PT/ST/OT, vision, and any alternative medicine benefits, as appropriate.

### **Standard Plan Designs – Cost Sharing Reduction Plans (HDHPs)**

		Cost Sharing	Reduction Plan Design	s - HDHPs	
Deductible/OOP Max	300% FPL + (70% AV)	250-300% FPL (73% AV)	200-250% FPL (77% AV)	150-200% FPL (87% AV)	133-150% FPL (94% AV)
Type of Plan	HSA Q/HDHP	HSA Q/HDHP	HSA Q/HDHP	Deductible (NOT HSAQ)	Deductible (NOT HSAQ)
Medical Ded	\$1,550	\$1,400	\$1,250	\$1,000	\$450
Rx Ded	\$1,250	\$1,250	N/A	N/A	N/A
Integrated Ded	Yes	Yes	Yes	Yes	Yes
Medical OOPM	\$5,750	\$3,400	\$2,500	\$1,000	\$450
Rx OOPM	\$1,250	\$1,250	\$1,250	N/A	N/A
Integrated OOPM	Rx -No, Medical - Yes	Rx -No, Medical - Yes	Rx -No, Medical - Yes	Yes	Yes
Family Deductible / OOP	Aggregate, 2x Individual	Aggregate, 2x Individual	Aggregate, 2x Individual	Aggregate, 2x Individual	Aggregate, 2x Individual
Medical Deductible waived for:	Preventive	Preventive	Preventive	Preventive	Preventive
Drug Deductible waived for:	Wellness scripts	Wellness scripts	Wellness scripts	Wellness scripts	Wellness scripts
Service Category	Copay / Coinsurance	9,00/	900/	00/	00/
Inpatient <sup>1</sup>	20%	20%	20%	0%	0%
Outpatient <sup>2</sup> ER <sup>3</sup>	20%	20%	20%	0%	0%
	20%	20%	20%	0%	
Radiology (MRI, CT, PET)	20%	20%	20%	0%	0%
Preventive	0%	0%	0%	0%	0%
PCP Office Visit	10%	10%	10%	0%	0%
MH/SA Office Visit	10%	10%	10%	0%	0%
Specialist Office Visit <sup>4</sup>	20%	20%	20%	0%	0%
Urgent Care	20%	20%	20%	0%	0%
Ambulance	20%	20%	20%	0%	0%
Rx Generic	\$10	\$10	\$5	\$0	\$0
Rx Preferred Brand	\$40	\$40	\$30	\$0	\$0
Rx Non-Preferred Brand	50%	50%	50%	0%	0%
Actuarial Value					
Federal AVC, Adjusted if Necessary	69.2%	73.3%	76.8%	87.2%	93.8%

<sup>1</sup> Inpatient includes surgery, ICU/NICU, maternity, SNF and MH/SA. This cost sharing will also include physician and anesthesia costs, as appropriate.

<sup>4</sup> Specialist copay also applies to PT/ST/OT, vision, and any alternative medicine benefits, as appropriate.



<sup>2</sup> Outpatient includes ASCs. This cost sharing will also include physician and anesthesia costs, as appropriate.

<sup>3</sup> ER copay is waived if admitted.

Hear Innuity for Dian Days makers								
User Inputs for Plan Parameters  Use Integrated Medical and Drug Deductible?			HSA/HRA Options		Na	rrow Network O	ntions	
Ose integrated Medical and Drug Deductible:  Apply Inpatient Copay per Day?		UCA/UDA Ema	loyer Contribution	_	1	twork/POS Plan?	_	
Apply Skilled Nursing Facility Copay per Day?		nsa/nka eliip	noyer Contribution	<u> </u>		t Tier Utilization		
Use Separate OOP Maximum for Medical and Drug Spending?	<u> </u>	Annual Contri	ibution Amount:			d Tier Utilization		
					211	a fiel Otilization.		
Indicate if Plan Meets CSR Standard? Desired Metal Tier	Gold ▼							
Desired Metal Her		er 1 Plan Benefit D	ocian		Tio	r 2 Plan Benefit I	Design	
	Medical	Drug	Combined	+	Medical	Drug	Combined	
Deductible (\$)	\$400.00	\$100.00	Combined	+	ivicuicai	Diug	Combined	
Coinsurance (%, Insurer's Cost Share)	80.00%	50.00%						
OOP Maximum (\$)	00:0070	30.0070		-				
OOP Maximum (\$)	\$5,300.00	\$1,300.00	\$6,600.00	_				
οσι Maximan i Separate (γ)	<del>\$3,300.00</del>	ψ1,300.00	\$0,000.00			1	1	
Click Here for Important Instructions		Ti	er 1			T	er 2	
Type of Benefit	Subject to	Subject to	Coinsurance, if	Copay, if	Subject to	Subject to	Coinsurance, if	Copay, if
··	Deductible?	Coinsurance?	different	separate	Deductible?	Coinsurance?	different	separate
Medical	✓ AII	All		4444	✓ All	✓ All		
Emergency Room Services	7			\$200.00	<b>V</b>	<u> </u>		
All Inpatient Hospital Services (inc. MHSA)	7	7			<b>✓</b>	✓		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)				\$5.00	<b>V</b>	✓		
Specialist Visit				\$30.00	<b>✓</b>	✓		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient	V			\$5.00	<b>V</b>	✓		
Services								
Imaging (CT/PET Scans, MRIs)	7			\$400.00	<b>✓</b>	✓		
Rehabilitative Speech Therapy	<b>V</b>			\$30.00	<b>V</b>	✓		
Rehabilitative Occupational and Rehabilitative Physical Therapy	V			\$30.00	<b>V</b>	✓		
Preventive Care/Screening/Immunization			100%	\$0.00			100%	\$0.00
Laboratory Outpatient and Professional Services	<b>✓</b>			\$30.00	<b>✓</b>	✓		
X-rays and Diagnostic Imaging	<b>~</b>			\$50.00	<b>V</b>	<b>✓</b>		
Skilled Nursing Facility	<b>V</b>	<b>V</b>			<b>V</b>	<b>V</b>		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	V	V	84.48%		<b>✓</b>	<b>V</b>		
Outpatient Surgery Physician/Surgical Services	<b>V</b>	<b>V</b>	86.44%		<b>V</b>	<b>✓</b>		
Drugs	✓ All	✓ All	557777		✓ All	✓ All		
Generics				\$4.00	<b>V</b>	<u> </u>		
Preferred Brand Drugs	<b>V</b>			\$40.00	<b>V</b>	<b>✓</b>		
Non-Preferred Brand Drugs	7	<b>V</b>		•	<b>V</b>	<b>V</b>		
Specialty Drugs (i.e. high-cost)	7	<b>V</b>			<b>V</b>	<b>V</b>		
Options for Additional Benefit Design Limits:								
Set a Maximum on Specialty Rx Coinsurance Payments?		7						
Specialty Rx Coinsurance Maximum:			Generic	\$5.00				
Set a Maximum Number of Days for Charging an IP Copay?		1	VBID	\$1.00				
# Days (1-10):								
Begin Primary Care Cost-Sharing After a Set Number of Visits?			facility	\$400.00				
# Visits (1-10):			Surgery	\$200.00				
Begin Primary Care Deductible/Coinsurance After a Set Number of		]						
Copays?								
# Copays (1-10):		_						
Output								

Status/Error Messages: Calculation Successful.
Actuarial Value: 78.02%

Metal Tier: Gold Gold Non-Standard

### Appendix D

## Screen shots and AV Development

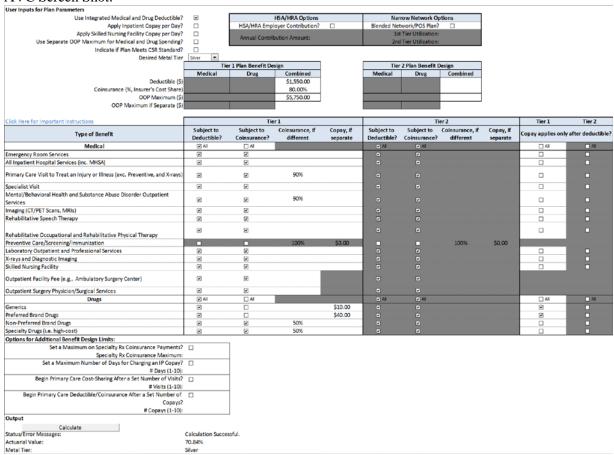
- 1. Silver HDHP
- 2. Bronze HDHP
- 3. Bronze Deductible Plan
- 4. Silver HDHP CSR 73%
- 5. Silver HDHP CSR 77%
- 6. Silver HDHP CSR 87%
- 7. Silver HDHP CSR 94%



### 1. Silver HDHP

AV from AVC = 70.8%Adjusted AV = 69.2%

### AVC Screen Shot:





## 1. Silver HDHP, Continued

## HDHP Model – Normalization:

uas in the blue sel					
ios in the blue sel					
ies in the blue cei	ls below, choose d	a setting option fr	om the drop dov	vn box, and press 'Co	alculate'.
alculate' anytime	an input or drop	down selection is d	changed.		
hat the model rui	n-time will vary bo	ased on the comp	uters processing	speed.	
sage box will app	ear to indicate the	at the calculations	are done.		
	Me di cal	Rx			
dual Deductible	1,550	1,550			
mily Deductible	3,100	3,100			
al Out-of-Pocket	5,750	5,750			
y Out-of-Pocket	11,500	11,500			
ice (50% or Less)	18%	33%			
	Co	sts that Accumula	l ate		
		0	OP	Deductible /	
	Deductible	Medical	Rx	OOP Type	
Settings	Medical & Rx	Medical & Rx	Medical & Rx	Stacked	
	Calculat	re			
	Medical	Rx	Total		
Allowed PMPM	\$210.01	\$52.50	\$262.51		
Plan PMPM	\$155.85	\$30.09	\$185.94		
Actuarial Value	74.2%	57.3%	70.8%		
	dual Deductible mily Deductible al Out-of-Pocket y Out-of-Pocket ce (50% or Less)  Settings  Allowed PMPM Plan PMPM	Medical  Journal of the model run-time will vary borage box will appear to indicate the mage box will appear to indicate t	Medical   Rx	mat the model run-time will vary based on the computers processing sage box will appear to indicate that the calculations are done.    Medical Rx	And the model run-time will vary based on the computers processing speed.  And the model run-time will vary based on the computers processing speed.  And a processing speed.  And a processing speed.  Medical Rx  dual Deductible 1,550 1,550  mily Deductible 3,100 3,100  all Out-of-Pocket 5,750 5,750  y Out-of-Pocket 11,500 11,500  ce (50% or Less) 18% 33%  Costs that Accumulate  OOP  Deductible Medical Rx  OOP Type  Settings Medical & Rx   Medical & Rx   Stacked   Calculate  Calculate  Medical Rx Total  Allowed PMPM \$210.01 \$52.50 \$262.51  Plan PMPM \$155.85 \$30.09 \$185.94



## 1. Silver HDHP, Continued

HDHP Model – Adjusted Actuarial Value:

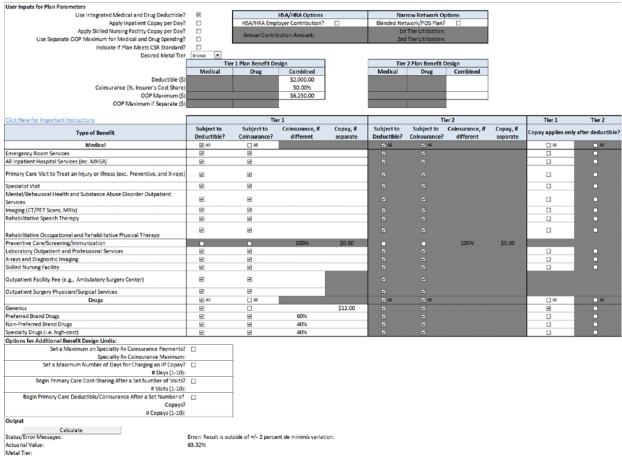
	10 ar 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	a rictaariar + ar	40.			
Inputs						
Enter va	lues in the blue ce	lls below, choose o	setting option fr	om the drop dowl	n box, and pr	ess 'Calculate'.
	Calculate' anytime			•		
Note	that the model ru	n-time will vary bo	sed on the comp	uters processing s	peed.	
A mes	ssage box will app	ear to indicate the	at the calculations	s are done.		
		Medical	Rx			
Indiv	vidual Deductible	1,550	1,550			
F	amily Deductible	3,100	3,100			
Individu	ual Out-of-Pocket	5,750	1,250			
Family Out-of-Pocket		11,500	2,500			
Coinsura	nce (50% or Less)	18%	33%			
		Co	sts that Accumul	ate		
			0	OP	Deductibl	e /
		Deductible	Medical	Rx	ООР Тур	e
	Settings	Medical & Rx	Medical & Rx	Rx Only	Aggregate	▼
		Calculat	е			
Results						
		Medical	Rx	Total		
	Allowed PMPM		\$52.50	\$262.51		
	Plan PMPM	*	\$34.27	\$181.69		
	Actuarial Value	70.2%	65.3%	69.2%		



### 2. Bronze HDHP

AV from AVC = 63.3%Adjusted AV = 60.6%

### AVC Screen Shot:





## 2. Bronze HDHP, Continued

## HDHP Model – Normalization:

12 111 111	1,01111411	24413111				
Inputs						
Enter val	lues in the blue cel	lls below, choose d	a setting option fr	om the drop dow	n box, and press '	Calculate'.
Press 'C	Calculate' anytime	an input or drop	down selection is d	changed.		
Note	that the model ru	n-time will vary bo	ased on the comp	uters processing :	speed.	
A mes	ssage box will app	ear to indicate the	at the calculations	s are done.		
		Me di cal	Rx			
Indiv	vidual Deductible	2,000	2,000			
F	amily Deductible	4,000	4,000			
Individu	ual Out-of-Pocket	6,250	6,250			
Fami	ily Out-of-Pocket	12,500	12,500			
Coinsura	ince (50% or Less)	50%	45%			
		Co	sts that Accumul	ate		
			0	OP	Deductible /	
		Deductible	Medical	Rx	OOP Type	
	Settings	Medical & Rx	Medical & Rx	Medical & Rx	Stacked ▼	
		Calculat	Iculate			
Results						
		Me di cal	Rx	Total		
	Allowed PMPM	\$233.41	\$58.35	\$291.76		
	Plan PMPM	\$153.54	\$31.16	\$184.70		
	Actuarial Value	65.8%	53.4%	63.3%		



## 2. Bronze HDHP, Continued

HDHP Model – Adjusted Actuarial Value:

	1	1			
lues in the blue ce	lls below, choose o	a setting option fro	om the drop dowr	n box, and pre	ss 'Calculate'.
	·				
				peed.	
ssage box will app	ear to indicate the	at the calculations	are done.		
	Me di cal	Rx			
vidual Deductible	2,000	1,250			
amily Deductible	4,000	2,500			
ual Out-of-Pocket	6,250	1,250			
ily Out-of-Pocket	12,500	2,500			
ince (50% or Less)	50%	45%			
	Co				
					-
				OOP Type	
Settings	Medical & Rx	Medical & Rx	Rx Only	Aggregate	▼
	Calaulat				
	Calculat	.e			
	Medical	Rx	Total		
Allowed PMPM	\$233.41	\$58.35	\$291.76		
Plan PMPM	\$138.77	\$38.17	\$176.95		
Actuarial Value	59.5%	65.4%	60.6%		
	Calculate' anytime that the model ruissage box will app vidual Deductible family Deductible ual Out-of-Pocket ily Out-of-Pocket nce (50% or Less)  Settings  Allowed PMPM Plan PMPM	Calculate' anytime an input or drope that the model run-time will vary be assage box will appear to indicate the Medical vidual Deductible 2,000 family Deductible 4,000 family Dut-of-Pocket 6,250 family Out-of-Pocket 12,500 family Out-of-Pocket 12,500 for Less)  Deductible  Settings Medical & Rx  Calculate  Medical Allowed PMP M \$233.41 Plan PMPM \$138.77	Calculate' anytime an input or dropdown selection is of that the model run-time will vary based on the completes age box will appear to indicate that the calculations   Medical Rx	Calculate' anytime an input or dropdown selection is changed.  that the model run-time will vary based on the computers processing spaces box will appear to indicate that the calculations are done.  Medical Rx  vidual Deductible 2,000 1,250  amily Deductible 4,000 2,500  Jal Out-of-Pocket 6,250 1,250  ily Out-of-Pocket 12,500 2,500  Ince (50% or Less) 50% 45%  Costs that Accumulate  OOP  Deductible Medical Rx  Settings Medical & Rx   Medical & Rx  Settings Medical & Rx   Inches   Rx   Rx   Rx   Rx   Rx   Rx   Rx   R	that the model run-time will vary based on the computers processing speed.  ssage box will appear to indicate that the calculations are done.    Medical Rx     vidual Deductible 2,000 1,250



### 3. Bronze Deductible

AV from AVC = 60.0%

 $Adjustments = Wakely\ pricing\ model\ at\ \$300\ Deductible\ /\ Wakely\ pricing\ model\ at\ \$200\ Deductible\ x$   $HDHP\ Model\ with\ drug\ adjustments\ /\ HDHP\ Model\ without\ drug\ adjustments\ =\ 59.5\%/60.0\%\ x$ 

61.5%/59.5% = 1.025

Adjusted AV =  $60.0\% \times 1.025 = 61.5\%$ 

### AVC Screen Shot:

User Inputs for Plan Parameters										
Use Integrated Medical and Drug Deductible?		ı	HSA/HRA Options		Nari	row Network O	ptions			
Apply Inpatient Copay per Day?		HSA/HRA Employ	yer Contribution?			ork/POS Plan?				
Apply Skilled Nursing Facility Copay per Day?		Annual Contrib	oution Amount:			Fier Utilization:				
Use Separate OOP Maximum for Medical and Drug Spending?		7 minder contine	oution / iniounit.		2nd 1	Fier Utilization:				
Indicate if Plan Meets CSR Standard?										
Desired Metal Tier	Bronze 💌									
		1 Plan Benefit De				2 Plan Benefit I				
	Medical	Drug	Combined		Medical	Drug	Combined			
Deductible (\$)	\$3,500.00	\$200.00								
Coinsurance (%, Insurer's Cost Share)	50.00%	40.00%								
OOP Maximum (\$)	\$6,3	50.00								
OOP Maximum if Separate (\$)			ļ							
and the second second		_				_	_			
Click Here for Important Instructions		Tie					er 2		Tier 1	Tier 2
Type of Benefit	Subject to	Subject to	Coinsurance, if	Copay, if	Subject to		Coinsurance, if different	Copay, if	Copay appli	
Medical	Deductible?	Coinsurance?	different	separate	Deductible?  ✓ All	Coinsurance?	airrerent	separate	deduc	All
Emergency Room Services All Inpatient Hospital Services (inc. MHSA)	V	<u> </u>			<ul><li>✓</li></ul>	V				
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and	<u> </u>					(V)			U	
* * * * * * * * * * * * * * * * * * * *	✓			\$35.00	✓	✓			✓	
X-rays)	V			\$80.00	V	<b>V</b>			V	
Specialist Visit  Mental/Behavioral Health and Substance Abuse Disorder				\$80.00	· ·	V				
Outpatient Services	✓			\$35.00	✓	✓			✓	
	✓	V			V	V				
Imaging (CT/PET Scans, MRIs) Rehabilitative Speech Therapy		뚬		\$80.00	V V	✓			□ □	
nenabilitative speech merapy										
Rehabilitative Occupational and Rehabilitative Physical Therapy	✓			\$80.00	✓	✓			~	
Preventive Care/Screening/Immunization			100%	\$0.00			100%	\$0.00		
Laboratory Outpatient and Professional Services	✓		20070	50.00	V		10070	\$6.00	П	
X-rays and Diagnostic Imaging	<del></del>	<del>- Ö</del>			V	- G			<del></del>	
Skilled Nursing Facility					V	v v			K	
					T					
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	✓	<b>V</b>			✓	✓				
Outpatient Surgery Physician/Surgical Services	<u>-</u>				V	V				
Drugs	<b>✓</b> All	<b>✓</b> All			✓ All	✓ All			☐ All	All
Generics	V			\$20.00	V	<b>V</b>			V	
Preferred Brand Drugs	▽			\$80.00	V	✓			✓	
Non-Preferred Brand Drugs		V			V	V				
Specialty Drugs (i.e. high-cost)	✓	✓			V	V				
Options for Additional Benefit Design Limits:										
Set a Maximum on Specialty Rx Coinsurance Payments?		ĺ								
Specialty Rx Coinsurance Maximum:										
Set a Maximum Number of Days for Charging an IP Copay?										
# Days (1-10):										
Begin Primary Care Cost-Sharing After a Set Number of Visits?										
# Visits (1-10):										
Begin Primary Care Deductible/Coinsurance After a Set Number of										
Copays?										
# Copays (1-10):										
Output										
Calculate										
Status/Error Messages:	Calculation Succe	essful.								
Actuarial Value:	60.01%									
Metal Tier:	Bronze									



## 3. Bronze Deductible, Continued

HDHP Model – Without Prescription Drug Adjustments:

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate' Press 'Calculate' anytime an input or dropdown selection is changed.  Note that the model run-time will vary based on the computers processing speed.  A message box will appear to indicate that the calculations are done.    Medical Rx	IDIII MIO	uci – Willioul I	rescription Drug	Aujustinents.			
Press 'Calculate' anytime an input or dropdown selection is changed.  Note that the model run-time will vary based on the computers processing speed.  A message box will appear to indicate that the calculations are done.    Medical Rx	nputs						
Press 'Calculate' anytime an input or dropdown selection is changed.  Note that the model run-time will vary based on the computers processing speed.  A message box will appear to indicate that the calculations are done.    Medical Rx	Enter valu	ues in the blue cel	ls below, choose o	a settina option fro	om the drop dowr	box, and press	'Calculate'.
A message box will appear to indicate that the calculations are done.           Medical         Rx           Individual Deductible         3,500           Family Deductible         7,000           family Deductible         6,350           family Out-of-Pocket         12,700           Family Out-of-Pocket         12,700           Coinsurance (50% or Less)         48%           Some of the color of							
Medical   Rx	Notet	hat the model rui	n-time will vary bo	used on the comp	uters processing s	peed.	
Individual Deductible	A mess	sage box will app	ear to indicate the	at the calculations	are done.		
Individual Deductible							
Family Deductible			Me di cal	Rx			
Individual Out-of-Pocket Family Out-of-Pocket 12,700 12,700  Coinsurance (50% or Less)   Costs that Accumulate  OOP Deductible  De ductible Medical Rx OOP Type  Settings Medical & Rx Medical & Rx  Stacked  Calculate   Calculate  Medical Rx Total Allowed PMPM \$223.99 \$56.00 \$279.98 Plan PMPM \$135.07 \$31.41 \$166.48	Indivi	idual Deductible	3,500	300			
Family Out-of-Pocket   12,700   12,700	Fa	mily Deductible	7,000	600			
Coinsurance (50% or Less)    Costs that Accumulate	Individua	al Out-of-Pocket	6,350	6,350			
Costs that Accumulate  OOP  Deductible /  De ductible   Medical   Rx   OOP Type  Settings   Medical & Rx   Medical & Rx   Stacked   ✓  Calculate    Calculate   Medical & Rx   Total	Famil	y Out-of-Pocket	12,700	12,700			
Costs that Accumulate  OOP  Deductible /  De ductible   Medical   Rx   OOP Type  Settings   Medical & Rx   Medical & Rx   Stacked   ✓  Calculate    Calculate   Medical & Rx   Total	Coinsurar	nce (50% or Less)	48%	57%			
Deductible   Deductible     Deductible   Medical   Rx   OOP Type		,					
Deductible   Medical   Rx   OOP Type			Co	sts that Accumula	ate		
Settings   Medical & Rx   Medical & Rx   Stacked				00	OP	Deductible /	
Calculate           Results         Medical         Rx         Total           Allowed PMPM         \$223.99         \$56.00         \$279.98           Plan PMPM         \$135.07         \$31.41         \$166.48			Deductible	Medical	Rx	OOP Type	
Results           Medical         Rx         Total           Allowed PMPM         \$223.99         \$56.00         \$279.98           Plan PMPM         \$135.07         \$31.41         \$166.48		Settings	Medical & Rx	Medical & Rx	Medical & Rx	Stacked :	▼]
Results           Medical         Rx         Total           Allowed PMPM         \$223.99         \$56.00         \$279.98           Plan PMPM         \$135.07         \$31.41         \$166.48							
Results           Medical         Rx         Total           Allowed PMPM         \$223.99         \$56.00         \$279.98           Plan PMPM         \$135.07         \$31.41         \$166.48			Calandar				
Medical         Rx         Total           Allowed PMPM         \$223.99         \$56.00         \$279.98           Plan PMPM         \$135.07         \$31.41         \$166.48			Calculat	e			
Medical         Rx         Total           Allowed PMPM         \$223.99         \$56.00         \$279.98           Plan PMPM         \$135.07         \$31.41         \$166.48							
Medical         Rx         Total           Allowed PMPM         \$223.99         \$56.00         \$279.98           Plan PMPM         \$135.07         \$31.41         \$166.48	Results						
Allowed PMPM \$223.99 \$56.00 \$279.98 Plan PMPM \$135.07 \$31.41 \$166.48							
Plan PMPM \$135.07 \$31.41 \$166.48			Me di cal	Rx	Total		
		Allowed PMPM	\$223.99	\$56.00	\$279.98		
Actuarial Value 60.3% 56.1% 59.46%		Plan PMPM	\$135.07	\$31.41	\$166.48		
		Actuarial Value	60.3%	56.1%	59.46%		



## 3. Bronze Deductible, Continued

HDHP Model – With Prescription Drug Adjustments:

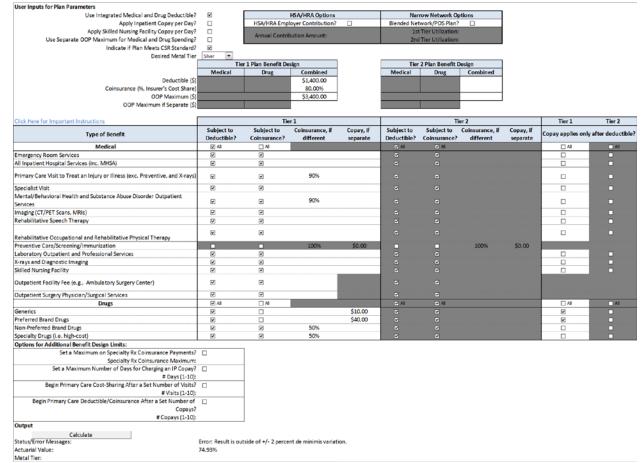
Inputs							
Enter val	lues in the blue ce	lls below, choose o	a setting option f	rom the drop dov	vn box, and p	ress 'Cal	culate'.
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Note	that the model ru	n-time will vary bo	ased on the comp	uters processing	speed.		
A mes	sage box will app	ear to indicate th	at the calculation	s are done.			
			_				
		Me di cal	Rx				
	idual Deductible	3,500	300				
F	amily Deductible	7,000	600				
Individu	ual Out-of-Pocket	6,350	1,250				
Fami	ily Out-of-Pocket	12,700	2,500				
Coinsura	nce (50% or Less)	48%	57%				
		Co	osts that Accumu	ate			
			C	OP	Deductib	le/	
		Deductible	Medical	Rx	OOP Ty	ре	
	Settings	Medical & Rx	Medical & Rx	Rx Only	Stacked	<b>-</b>	
		Calculat	te				
Results							
		Me di cal	Rx	Total			
	Allowed PMPM	\$223.99	\$56.00	\$279.98			
	Plan PMPM	\$132.72	\$39.56	\$172.29			
	Actuarial Value	59.3%	70.7%	61.53%			



### 4. Silver HDHP CSR - 73%

AV from AVC = 74.9%Adjusted AV = 73.3%

### AVC Screen Shot:





# 4. Silver HDHP CSR – 73%, Continued

## HDHP Model – Normalization:

		1				
lues in the blue cel	ls below. choose o	a settina option fr	om the drop dov	vn box. and p	ress 'Ca	lculate'.
that the model ru	n-time will vary bo	sed on the comp	uters processing	speed.		
sage box will app	ear to indicate the	at the calculation:	s are done.			
	Me di cal	Rx				
idual Deductible	1,400	1,400				
amily Deductible	2,800	2,800				
ial Out-of-Pocket	3,400	3,400				
ily Out-of-Pocket	6,800	6,800				
nce (50% or Less)	18%	33%				
	Co	sts that Accumul	ate			
		0	OP	Deductib	le/	
	Deductible	Medical	Rx	OOP Ty	ре	
Settings	Medical & Rx	Medical & Rx	Medical & Rx	Stacked	<b>_</b>	
	Calculat					
	Calculat					
	•	•				
	\$177.14	\$35.65	\$212.79			
Actuarial Value	78.0%	62.8%	74.9%	1		
	Calculate' anytime that the model rui ssage box will app ridual Deductible amily Deductible ial Out-of-Pocket ily Out-of-Pocket nce (50% or Less)  Settings  Allowed PMPM Plan PMPM	Calculate' anytime an input or droped that the model run-time will vary be assage box will appear to indicate the Medical vidual Deductible amily Deductible all Out-of-Pocket (19 Out-of-Pocket	Calculate' anytime an input or dropdown selection is a that the model run-time will vary based on the complex sage box will appear to indicate that the calculations.    Medical   Rx     Medical	Calculate' anytime an input or dropdown selection is changed.  It that the model run-time will vary based on the computers processing is age box will appear to indicate that the calculations are done.  Medical Rx  Initial Deductible 1,400 1,400 amily Deductible 2,800 2,800 alal Out-of-Pocket 3,400 3,400 ality Out-of-Pocket 6,800 6,800  Ince (50% or Less) 18% 33%  Costs that Accumulate  OOP  Deductible Medical Rx  Settings Medical & Rx   Medical & Rx   Calculate  Medical & Rx Total  Allowed PMPM \$227.17 \$56.79 \$283.96  Plan PMPM \$177.14 \$35.65 \$212.79	Calculate' anytime an input or dropdown selection is changed.  Ithat the model run-time will vary based on the computers processing speed.  Ithat the model run-time will vary based on the computers processing speed.  Ithat the model run-time will vary based on the computers processing speed.  Ithat the model run-time will vary based on the computers processing speed.  Ithat the model run-time will vary based on the computers processing speed.  Ithat the model run-time will vary based on the computers processing speed.  Ithat the model run-time will vary based on the computers processing speed.  Ithat the model run-time will vary based on the computers processing speed.  Ithat the model run-time will vary based on the computers processing speed.  Ithat the model run-time will vary based on the computers processing speed.  Ithat the model run-time will vary based on the computers processing speed.  Ithat the model run-time will vary based on the computers processing speed.  Ithat the model run-time will vary based on the computers processing speed.  Ithat the model run-time will vary based on the computers processing speed.  Ithat the model run-time will vary based on the computers processing speed.  Ithat the model run-time will vary based on the computers processing speed.  Ithat the model run-time will vary based on the computers processing speed.  Ithat the model run-time will vary based on the calculations are done.  Ithat the model run-time will vary based on the calculations are done.  Ithat the model run-time will vary based on the calculations are done.  Ithat the model run-time will vary based on the calculations are done.  Ithat the model run-time will vary based on the calculations are done.  Ithat the model run-time will vary based on the calculations are done.  Ithat the model run-time will vary based on the calculations are done.  Ithat the model run-time will vary based on the calculations are done.  Ithat the model run-time will vary based on the calculations are done.  Ithat the model run-time w	that the model run-time will vary based on the computers processing speed.  stage box will appear to indicate that the calculations are done.    Medical Rx



## 4. Silver HDHP CSR – 73%, Continued

HDHP Model – Adjusted Actuarial Value:

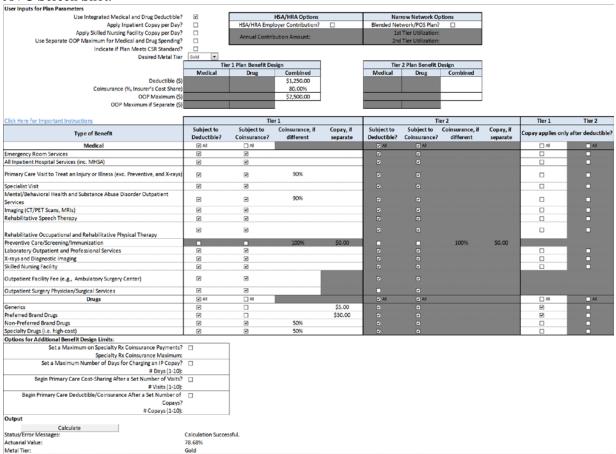
Inputs	j	Trettarrar vare				
•	luga in the blue and	lla halaw aha	n aatting anti f	rom the drew de-		nes (Calaulata)
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	Calculate' anytime					
	that the model rui	•	•		speea.	
A mes	ssage box will app	ear to indicate the	at the calculation	s are done.		
		N.A. II. I	<u> </u>			
		Me di cal	Rx			
	vidual Deductible	1,400	1,250			
F	amily Deductible	2,800	2,500			
Individu	ual Out-of-Pocket	3,400	1,250			
Fam	ily Out-of-Pocket	6,800	2,500			
Coinsura	nce (50% or Less)	18%	33%			
		Co	osts that Accumu	late		
			C	OOP	Deductible	e /
		Deductible	Medical	Rx	OOP Type	9
	Settings	Medical & Rx	Medical & Rx	Rx Only	Aggregate	•
		Calculat	te			
Results						
		Medical	Rx	Total		
	Allowed PMPM	\$227.17	\$56.79	\$283.96		
	Plan PMPM	\$169.81	\$38.43	\$208.25		
	Actuarial Value	74.8%	67.7%	73.3%		



### 5. Silver HDHP CSR - 77%

AV from AVC = 78.7%Adjusted AV = 76.8%

### AVC Screen Shot:





# 5. Silver HDHP CSR - 77%, Continued

## HDHP Model – Normalization:

12111 11.	iodei itolillali	zation.				
Inputs						
Enter va	lues in the blue cel	lls below, choose d	setting option fr	om the drop dov	vn box, and press 'C	Calculate'.
	Calculate' anytime					
	that the model ru				speed.	
	ssage box will app	· · · · · · · · · · · · · · · · · · ·	-			
		Me di cal	Rx			
Indiv	vidual Deductible	1,250	1,250			
Family Deductible		2,500	2,500			
Individual Out-of-Pocket		2,500	2,500			
Fam	ily Out-of-Pocket	5,000	5,000			
Coinsurance (50% or Less)		18%	25%			
		Co				
			ООР		Deductible /	
		Deductible	Medical	Rx	OOP Type	
	Settings	Medical & Rx	Medical & Rx	Medical & Rx	Stacked	
		Calculate				
D!:						
Results						
		Me di cal	Rx	Total		
	Allowed PMPM		\$59.79	\$298.96		
	Plan PMPM	\$193.63	\$41.51	\$235.14		
	Actuarial Value	81.0%	69.4%	78.7%		



## 5. Silver HDHP CSR – 77%, Continued

HDHP Model – Adjusted Actuarial Value:

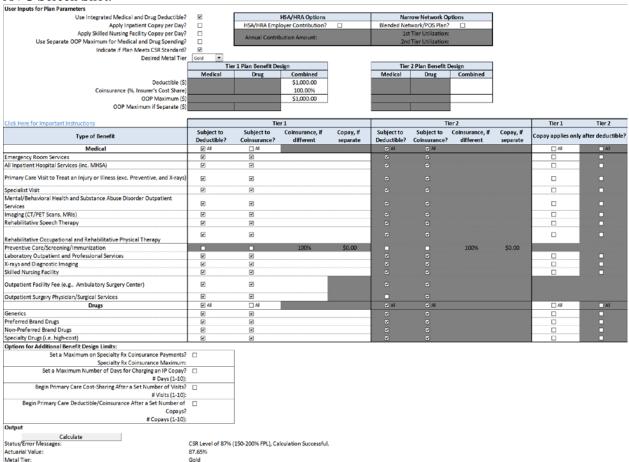
Inputs	rajustee					
Enter va	lues in the blue cel	lls below, choose o	setting option fro	om the drop dowr	n box, and pres	s 'Calculate'.
	Calculate' anytime			-	, ,	
Note	that the model ru	n-time will vary bo	ased on the comp	uters processing s	peed.	
A mes	ssage box will app	ear to indicate the	at the calculations	are done.		
		Me di cal	Rx			
Individual Deductible		1,250	1,250			
Family Deductible		2,500	2,500			
Individual Out-of-Pocket		2,500	1,250			
Fam	ily Out-of-Pocket	5,000	2,500			
Coinsurance (50% or Less)		18%	25%			
		Costs that Accumulate				
			ООР		Deductible	/
		Deductible	Medical	Rx	OOP Type	
	Settings	Medical & Rx	Medical & Rx	Rx Only	Aggregate	<b>_</b>
			culate			
Results						
nesuits						
		Me di cal	Rx	Total		
	Allowed PMPM	\$239.17	\$59.79	\$298.96		
	Plan PMPM	\$187.58	\$42.10	\$229.68		
	Actuarial Value	78.4%	70.4%	76.8%		



# 6. Silver HDHP CSR - 87%

AV from AVC = 87.7%Adjusted AV = 87.2%

# AVC Screen Shot:





# 6. Silver HDHP CSR-87%, Continued

# HDHP Model – Normalization:

ies in the blue cel	ls below, choose d	setting option fro	om the drop dov	vn box, and press 'Co	alculate'.
alculate' anytime	an input or dropo	lown selection is c	hanged.		
hat the model rui	n-time will vary bo	ised on the comp	uters processing	speed.	
sage box will app	ear to indicate the	at the calculations	are done.		
	Me di cal	Rx			
dual Deductible	1,000	1,000			
mily Deductible	2,000	2,000			
al Out-of-Pocket	1,000	1,000			
y Out-of-Pocket	2,000	2,000			
ice (50% or Less)	0%	0%			
	Co	sts that Accumula	ate		
		0	OP	Deductible /	
	Deductible	Medical	Rx	OOP Type	
Settings	Medical & Rx	Medical & Rx	Medical & Rx	Stacked ▼	
	Calculat	e			
	Medical	Rx	Total		
Allowed PMPM	\$255.61	\$63.90	\$319.51		
Plan PMPM	\$227.10	\$53.02	\$280.12		
Actuarial Value	88.8%	83.0%	87.7%		
	dual Deductible mily Deductible al Out-of-Pocket y Out-of-Pocket ce (50% or Less)  Settings  Allowed PMPM Plan PMPM	Medical  John at the model run-time will vary borage box will appear to indicate the mage box will appear to indicate the	Medical   Rx	Medical Rx dual Deductible 1,000 1,000 mily Deductible 2,000 2,000 al Out-of-Pocket 1,000 1,000 y Out-of-Pocket 2,000 2,000 ce (50% or Less) 0% 0%  Costs that Accumulate OOP Deductible Medical Rx Settings Medical & Rx   Medical & Rx  Calculate  Medical Rx Total Allowed PMPM \$255.61 \$63.90 \$319.51 Plan PMPM \$227.10 \$53.02 \$280.12	And the model run-time will vary based on the computers processing speed.  And the model run-time will vary based on the computers processing speed.  And a processing speed.  And a processing speed.  Medical Rx  dual Deductible 1,000 1,000  mily Deductible 2,000 2,000  al Out-of-Pocket 1,000 1,000  y Out-of-Pocket 2,000 2,000  ce (50% or Less) 0% 0%  Costs that Accumulate  OOP  Deductible Medical Rx  OOP Type  Settings Medical & Rx   Medical & Rx   Stacked   Calculate   Calculate  Medical Rx Total  Allowed PMPM \$255.61 \$63.90 \$319.51  Plan PMPM \$227.10 \$53.02 \$280.12



# 6. Silver HDHP CSR – 87%, Continued

HDHP Model – Adjusted Actuarial Value:

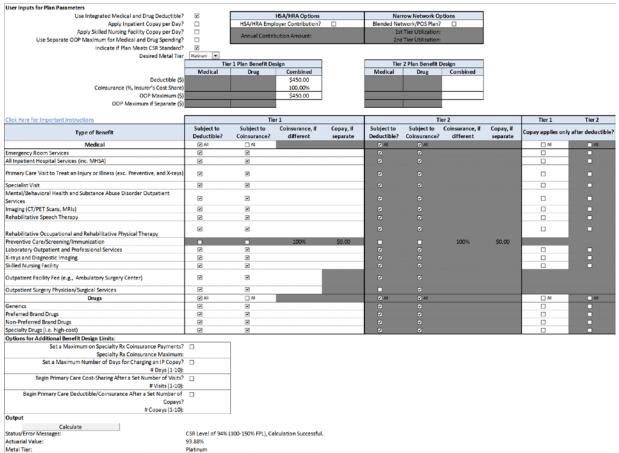
Inputs	1 Tajasto					
iiputs						
	lues in the blue ce	· · · · · · · · · · · · · · · · · · ·		-	box, and pres	s 'Calculate'.
	Calculate' anytime					
	that the model ru	•			peed.	
A me	ssage box will app	ear to indicate the	at the calculations	are done.		
		Me di cal	Rx			
	vidual Deductible	•	1,000			
F	amily Deductible	2,000	2,000			
Individu	ual Out-of-Pocket	1,000	1,000			
Fam	ily Out-of-Pocket	2,000	2,000			
Coinsura	nce (50% or Less)	0%	0%			
	,					
		Co	sts that Accumula	ate		
			0	OP	Deductible	/
		Deductible	Medical	Rx	OOP Type	
	Settings	Medical & Rx	Medical & Rx	Rx Only	Aggregate	▼
		 Calculat				
		Carcarac				
Results						
		Medical	Rx	Total		
	Allowed PMPM		\$63.90	\$319.51		
	Plan PMPM	•	\$52.80	\$278.52		
	Actuarial Value	88.3%	82.6%	87.2%		



# 7. Silver HDHP CSR – 94%

AV from AVC = 93.9%Adjusted AV = 93.8%

# AVC Screen Shot:





# 7. Silver HDHP CSR – 94%, Continued

# HDHP Model – Normalization:

	oder romman	zation.		1					
Inputs									
Enter val	lues in the blue cel	lls below, choose o	setting option fro	om the drop dow	n box, and press '	Calculate'.			
		an input or dropo							
		n-time will vary bo			speed.				
A mes	sage box will app	ear to indicate the	at the calculations	are done.					
		Me di cal	Rx						
Indiv	idual Deductible	450	450						
F	amily Deductible	900	900						
Individu	ual Out-of-Pocket	450	450						
Fami	ily Out-of-Pocket	900	900						
Coinsura	nce (50% or Less)	0%	0%						
		_							
		Сс	osts that Accumula						
				OP _	Deductible /				
		Deductible	Medical	Rx	OOP Type	1			
	Settings	Medical & Rx	Medical & Rx	Medical & Rx	Stacked ▼	J			
		Calculat	re						
- I									
Results									
		Me di cal	Rx	Total					
	Allowed PMPM	\$264.01	\$66.00	\$330.01					
	Plan PMPM		\$60.28	\$309.73					
	Actuarial Value	94.5%	91.3%	93.9%					



# 7. Silver HDHP CSR – 94%, Continued

HDHP Model – Adjusted Actuarial Value:

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Inputs						
Enter va	lues in the blue cei	lls below, choose d	setting option fro	om the drop dowr	n box, and pre	ss 'Calculate'.
	Calculate' anytime			-		
Note	that the model ru	n-time will vary bo	sed on the comp	uters processing s	peed.	
A me	ssage box will app	ear to indicate the	at the calculations	are done.		
		Me di cal	Rx			
Indiv	vidual Deductible	450	450			
F	amily Deductible	900	900			
Individu	ual Out-of-Pocket	450	450			
Fam	ily Out-of-Pocket	900	900			
Coinsura	nce (50% or Less)	0%	0%			
		Co	sts that Accumula			
				OP	Deductible	/
		Deductible	Medical	Rx	OOP Type	
	Settings	Medical & Rx	Medical & Rx	Rx Only	Aggregate	<b>-</b>
		Calculat				
		Calculat	e			
D l+ -						
Results						
		Medical	Rx	Total		
	Allowed PMPM	\$264.01	\$66.00	\$330.01		
	Plan PMPM	\$249.35	\$60.26	\$309.61		
	Actuarial Value	94.4%	91.3%	93.8%	-	





# **MEMO**

March 18, 2013

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www.milliman.com

To Kathleen Fish, Matt Lombardo (MVP)

From Howard Kahn (Milliman) Subject Vermont EHB Pricing

As requested, we have estimated the cost of the following benefits included by Vermont in its Essential Health Benefits (EHB) package:

- Private duty nursing
- Sterilization Reversal
- Couples therapy
- Wigs
- Pediatric vision

MVP Health Care's (MVP) does not currently offer these benefits in Vermont.

In addition, we have:

- Estimated the annual visit limit equivalent to an annual \$2,000 limit for private duty nursing.
- Estimated the impact of removing contractual limits on days in a skilled nursing facility (SNF) and home health care visits.

#### Results

Our estimates for the incremental 2014 allowed Per Member Per Month (PMPM) cost, assuming a standard population, for each of the additional benefits are:

Benefit	<b>Estimated 2014 Allowed PMPM</b>
Private Duty Nursing	\$0.31
Sterilization Reversal	\$0.00
Couples Therapy	\$0.60
Wigs	\$0.02
Pediatric Vision	\$1.46

# In addition, we estimate:

- A 4 visit annual limit is equivalent to a \$2,000 annual limit for private duty nursing in 2014.
- Increasing SNF day limits of 30, 45, 60, and 120 to unlimited results in an insignificant increase to the paid PMPM.
- Increasing home health visit limits of 40, 60, and 200 to unlimited results in an insignificant increase to the paid PMPM.



# Methodology

Private Duty Nursing

Using the 2010 Truven Health Analytics MarketScan Commercial database (MarketScan)<sup>1</sup> for the Northeast region we identified all claims for the following codes provided by MVP with a place of service equal to 12:

- HCPCS
  - o S9123
  - o S9124
  - o T1000
  - o T1002
  - o T1003
  - o T1030
  - o T1031

We trended the resulting per member amount by the secular trend for professional service of 6% per year recommended by Milliman's Health Cost Guidelines (HCGs)<sup>2</sup> for 4 years.

Sterilization Reversal

Using the 2010 MarketScan Commercial database we identified all claims for the following codes provided by MVP:

- HCPCS
  - 0 55400
  - o 58750
  - o 58752
  - o 58760
  - o 58770
- ICD-9 Diagnosis Codes (primary position)
  - o V26.0
  - o V26.22

\_

<sup>&</sup>lt;sup>1</sup> This database contains all paid claims generated by approximately 35 million commercially insured lives. The MarketScan database represents the inpatient and outpatient healthcare service use of individuals nationwide who are covered by the benefit plans of large employers, health plans, government, and public organizations. The MarketScan database links paid claims and encounter data to detailed patient information across sites and types of providers, and over time. The annual medical database includes private sector health data from approximately 100 payers.

<sup>&</sup>lt;sup>2</sup> The HCGs are a cooperative effort of all Milliman health actuaries and represent a combination of their experience, research and judgment. An extensive amount of data is used in developing the HCGs and that data is updated annually. The HCGs provide a flexible but consistent basis for the determination of health claim costs and premium rates for a wide variety of health plans. The HCGs are developed as a result of Milliman's continuing research on health care costs. First developed in 1954, the HCGs have been updated and expanded annually since that time. The HCGs are continually monitored as they are used in measuring the experience or evaluating the rates of health plans, and as they are compared to other data sources.



- ICD-9 Procedure Codes
  - 0 63.82
  - 0 66.79

The total number of services for these codes in nationwide 2010 MarketScan was insignificant with a resulting allowed PMPM of almost \$0.00. Therefore, we estimate that the addition of this benefit will not materially increase claims costs.

# Couples Therapy

Using the 2010 MarketScan Commercial database we identified all claims for the following codes:

- HCPCS
  - 0 90847
  - 0 99510
- ICD-9 Diagnosis Code (primary position)
  - o V61.10

We refined the list of codes provided by MVP to include only codes which we believe represent couple therapy services.

We trended the resulting per member amount by the secular trend for professional service of 6% per year recommended by Milliman's HCGs for 4 years and applied the psychiatric area factor of 1.04 recommended by Milliman's HCGs for Vermont.

# Wigs

Vermont is including wigs in its EHB when hair loss is due to disease or chemotherapy. Since wigs are not a commonly offered benefit, we are unable to derive credible utilization rates from the MarketScan database. Instead, we refer to other published literature to estimate the incremental cost for wigs due to chemotherapy, assuming no additional cost for other diseases:

2014 Allowed Wig PMPM Development		Source
Cancer Incidence (Under 65)	0.22%	http://seer.cancer.gov/statfacts/html/all.html
Probability of Losing Hair Under Chemo	65%	http://www.derma- haarcenter.ch/files/Directory/Publikationen/Chemotherapy .pdf
Percent Female	48%	http://seer.cancer.gov/statfacts/html/all.html
2014 Unit Cost for Wigs	\$379.31	2010 Nationwide MarketScan (HCPCS A9282, trended annually at 6%)
2014 PMPY	\$0.26	
2014 PMPM	\$0.02	

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Pediatric Vision

Vermont is including pediatric vision (to age 21) in its EHB:

- 1 vision exam per year
- \$150 per year for vision hardware

We priced out the additional allowed PMPM cost for these benefits by calibrating our 2013 HCGs to Vermont and assuming 120% of Medicare reimbursement.

Annual visit limit for private duty nursing

To convert an annual dollar limit to an annual visit limit for private duty nursing services, we develop a claims probability distribution from 2010 MarketScan for Northeast states. We used the codes described above to identify private duty nursing procedures.

The probability distribution table shown in Exhibit 1 represents 2010 claims trended by the secular trend for professional service of 6% per year recommended by Milliman's HCGs for 4 years. The table estimates the probability that the allowed cost for a private duty nursing visit will fall within certain ranges.

Based on a simulation of 10,000 trials, we estimated that 4.20 visits on average will exceed \$2,000.

Benefit Relativities for increased contractual limits on skilled nursing facility (SNF) and home care

MVP currently offers plans in Vermont that have:

- SNF day limits of 30, 45, 60 and 120
- Home health care visit limits of 40, 60 and 200

Using the 2013 SNF length of stay tables found in the HCGs, adjusted for Milliman's standard plan design (80/20 coinsurance with a \$500 deductible) and Vermont's utilization and unit cost, we estimate an insignificant increase in total estimated paid PMPM amounts if the limit for day in SNF is removed.

Since the HCGs do not have home health care visit distributions, we developed a probability distribution for members utilizing home health care from 2010 MarketScan for Northeast states. Based on these results, we estimate an insignificant increase in total estimated paid PMPM amounts if the limit for home health care visits is removed.

#### **Data Reliance**

We relied on the following files provided by MVP:

- VermontNewBenefits.pdf
- Codes for VT Exchange Benefits.xlsx

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#### **Additional Notes and Caveats**

Our models are based on the assumptions listed above and the data you have provided to us. If you believe any of our assumptions are incorrect, please let us know and we will amend our models accordingly. Actual experience will vary from expected.

This memo has been produced for the sole benefit of MVP and is not for distribution outside MVP.

Howard Kahn is employed by Milliman, Inc. and is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion in this report.

cc: Rob Parke (Milliman)

# Exhibit 1 MVP Health Care Private Duty Nursing Simulation Converting \$2,000 Annual Dollar Limit to Visit Limit

# **Private Duty Nursing Probability Distribution\***

		2014 Average Allowed Unit		
Lower Bound	<b>Upper Bound</b>	Cost per Visit	Visits	Probability
\$0	\$25	\$16.64	30	0.1%
\$26	\$50	\$39.34	139	0.4%
\$51	\$76	\$68.21	696	2.2%
\$77	\$101	\$91.10	823	2.6%
\$102	\$126	\$115.51	3,362	10.6%
\$127	\$158	\$142.00	2,809	8.9%
\$159	\$189	\$176.64	737	2.3%
\$190	\$221	\$208.01	772	2.4%
\$222	\$252	\$233.14	1,061	3.3%
\$253	\$316	\$282.19	1,855	5.8%
\$317	\$379	\$353.86	1,445	4.6%
\$380	\$442	\$410.23	1,577	5.0%
\$443	\$505	\$477.77	1,766	5.6%
\$506	\$631	\$574.33	3,214	10.1%
\$632	\$757	\$708.05	1,809	5.7%
\$758	\$884	\$826.84	1,201	3.8%
\$885	\$1,010	\$955.95	1,791	5.6%
\$1,011	\$1,136	\$1,060.72	1,698	5.4%
\$1,137	\$1,262	\$1,190.31	1,021	3.2%
\$1,263	\$1,389	\$1,324.64	820	2.6%
\$1,390	\$1,515	\$1,484.55	727	2.3%
\$1,516	\$1,641	\$1,577.93	878	2.8%
\$1,642	\$1,767	\$1,700.09	489	1.5%
\$1,768	\$1,894	\$1,831.38	226	0.7%
\$1,895	\$2,020	\$1,966.49	74	0.2%
\$2,021	\$2,146	\$2,096.32	129	0.4%
\$2,147	\$2,272	\$2,261.47	205	0.6%
\$2,273	\$2,399	\$2,349.88	60	0.2%
\$2,400	\$2,525	\$2,481.25	33	0.1%
\$2,526		\$4,954.81	267	0.8%

Number of Simulation Trials	10,000
Average Number of Visits to Meet \$2,000 Threshold	4.20

<sup>\*</sup>Data represents 2010 MarketScan trended at 6% annually to 2014



# MVP Health Care -- 2015 Exchange Rate Filing

MVP Health Plan, Inc. 2015 Vermont Exchange Rate Filing For Effective Dates Beginning Between January 1, 2015 - December 31, 2015

Exhibit 1 -- Summary of Medical Coplans Offered

Exhibit 2a -- Pricing Trend Assumptions

Exhibit 2b -- Support for Rx Trend Used in Development of Index Rate

Exhibit 3 -- Index Rate Development

Exhibit 3a -- Pediatric Dental

Exhibit 4 -- Conversion Factor and Tier Ratios

Exhibit 5 -- Retention Loads and Paid Claim Surcharges

Exhibit 6 -- 2015 Premium Rates

#### Exhibit 1 -- Summary of Medical Coplans Offered

MVP Health Plan, Inc. 2015 Vermont Exchange Rate Filing For Effective Dates Beginning Between January 1, 2015 - December 31, 2015

			Standard/Non-			IP IP					Deductible		Med OOP	Rx OOP	OOP Max	
Coplan	Product Type	Metal Level	Standard	PCP	SCP	(Med/Surg)	ER	OP Surg	Amb	Ded	Type	Coins.	Max	Max	Type	Pharmacy
FRVT-HMO-P-001-S	HyHMO	Platinum	Standard	\$10	\$20	10%	\$100	10%	\$50	\$150	Stacked	10%	\$1,250	\$1,250	Separate	\$5 / \$40 / 50%
FRVT-HMO-G-001-S	HyHMO	Gold	Standard	\$15	\$25	20%	\$150	20%	\$50	\$750	Stacked	20%	\$4,250	\$1,250	Separate	\$5 / \$40 / 50% \$50 Brand Ded
FRVT-HMO-G-002-N	HyHMO	Gold	Non-Standard	\$5	\$30	20%	\$200*	\$200	\$50*	\$400	Stacked	20%	\$5,350	\$1,300	Separate	\$5 / \$40 / 50%, \$100 Brand Ded, VBID = \$1 *
FRVT-HMO-S-001-S	HyHMO	Silver	Standard	\$25	\$45	40%	\$250*	40%	\$100	\$1,900	Stacked	40%	\$5,100	\$1,250	Separate	\$12 / \$50 / 50%, \$100 Brand Ded
FRVT-HMOH-S-001-S	HDHMO	Silver	Standard	10%	20%	20%	20%	20%	20%	\$1,550	Aggregate	20%	\$5,750	\$1,300	Integrated	\$10 / \$40 / 50%
FRVT-HMO-S-001-N	HyHMO	Silver	Non-Standard	\$15	\$50*	50%	\$250*	\$600	\$100*	\$1,800	Stacked	50%	\$5,350	\$1,300	Separate	\$12 / \$40 / 50%, \$250 Brand Ded, VBID = \$3 #
FRVT-HMO-B-001-S	HMO	Bronze	Standard	\$35*	\$80*	50%	50%	50%	\$100*	\$3,500	Stacked	50%	\$6,350	\$1,250	Integrated	\$20 / \$80 / 60%, \$300 Brand Ded
FRVT-HMOH-B-001-S	HDHMO	Bronze	Standard	50%	50%	50%	50%	50%	50%	\$2,000	Aggregate	50%	\$6,250	\$1,300	Integrated	\$12 / 40% / 60%
FRVT-HMO-B-001-N	HMO	Bronze	Non-Standard	\$30*	\$100*	50%	50%	50%	\$100*	\$3,000	Stacked	50%	\$6,600	\$1,300	Integrated	\$20 / \$90 / 60%, \$200 Ded, VBID = \$3 *
FRVT-HMO-C-001-S	HMO	Catastrophic	Standard	\$0**	\$0	0%	\$0	0%	\$0	\$6,400	Stacked	0%	\$6,350	\$1,250	Integrated	\$0 / \$0 / \$0

	Subsidize	d Cost-Sharing Benefits						In	-Network	Benefits							
Subsidy				Standard/Non-			IP					Deductible		Med OOP	Rx OOP	OOP Max	
Level	Coplan	Product Type	Metal Level	Standard	PCP	SCP	(Med/Surg)	ER	OP Surg	Amb	Ded	Type	Coins.	Max	Max	Type	Pharmacy
73%	FRVT-HMO-S1-001-S	HyHMO	Silver	Standard	\$25	\$45	40%	\$250*	40%	\$100	\$1,900	Stacked	40%	\$4,000	\$1,200	Separate	\$12/\$50/50% (\$100 Brand DED)
87%	FRVT-HMO-S1-002-S	HyHMO	Silver	Standard	\$10	\$30	40%	\$250*	40%	\$100	\$600	Stacked	40%	\$1,250	\$400	Separate	\$10/\$50/50% (\$100 Brand DED)
94%	FRVT-HMO-S1-003-S	HyHMO	Silver	Standard	\$5	\$15	10%	\$75*	10%	\$50	\$100	Stacked	10%	\$500	\$200	Separate	\$5/\$20/30%
77%	FRVT-HMO-S1-004-S	HyHMO	Silver	Standard	\$20	\$40	40%	\$250*	40%	\$100	\$1,500	Stacked	40%	\$3,000	\$1,000	Separate	\$12/\$50/50% (\$100 Brand DED)
73%	FRVT-HMOH-S1-001-S	HDHMO	Silver	Standard	10%	20%	20%	20%	20%	20%	\$1,400	Aggregate	20%	\$3,400	\$1,300	Integrated	\$10/\$40/50%
87%	FRVT-HMOH-S1-002-S	HDHMO	Silver	Standard	0%	0%	0%	0%	0%	0%	\$1,000	Aggregate	0%	\$1,000	\$1,000	Integrated	\$0/\$0/0%
94%	FRVT-HMOH-S1-003-S	HDHMO	Silver	Standard	0%	0%	0%	0%	0%	0%	\$450	Aggregate	0%	\$450	\$450	Integrated	\$0/\$0/0%
77%	FRVT-HMOH-S1-004-S	HDHMO	Silver	Standard	10%	20%	20%	20%	20%	20%	\$1,250	Aggregate	20%	\$2,500	\$1,300	Integrated	\$5/\$30/50%
73%	FRVT-HMO-S1-001-N	HyHMO	Silver	Non-Standard	\$10	\$50*	30%	\$150*	\$400*	\$100*	\$700	Stacked	30%	\$4,000	\$1,200	Separate	\$12/\$40/50% (\$200 DED), VBID = \$3 "
87%	FRVT-HMO-S1-002-N	HyHMO	Silver	Non-Standard	\$5	\$30*	10%	\$100*	\$75*	\$100*	\$60	Stacked	10%	\$1,800	\$450	Separate	\$10/\$25/40% (\$50 Brand DED), VBID = \$3 #
94%	FRVT-HMO-S1-003-N	HyHMO	Silver	Non-Standard	\$5	\$10*	5%	\$50*	\$25*	\$50*	\$0	Stacked	5%	\$1,800	\$450	Separate	\$5/\$10/5%, VBID = \$1 #
77%	FRVT-HMO-S1-004-N	HyHMO	Silver	Non-Standard	\$5	\$40*	20%	\$100*	\$200*	\$100*	\$300	Stacked	20%	\$4,000	\$1,200	Separate	\$12/\$40/40% (\$100 DED), VBID = \$3#

American Indian	and Alaskan Native (Al/	AN) Benefits (Unsubs	idized)^		In-Network Benefits											
			Standard/Non-			IP					Deductible		Med OOP	Rx OOP	OOP Max	
Coplan	Product Type	Metal Level	Standard	PCP	SCP	(Med/Surg)	ER	OP Surg	Amb	Ded	Type	Coins.	Max	Max	Type	Pharmacy
FRVT-HMO-PA2-001-S	HyHMO	Platinum	Standard	\$10	\$20	10%	\$100	10%	\$50	\$150	Stacked	10%	\$1,250	\$1,250	Separate	\$5 / \$40 / 50%
FRVT-HMO-GA2-001-S	HyHMO	Gold	Standard	\$15	\$25	20%	\$150	20%	\$50	\$750	Stacked	20%	\$4,250	\$1,250	Separate	\$5 / \$40 / 50% \$50 Brand Ded
FRVT-HMO-GA2-002-N	HyHMO	Gold	Non-Standard	\$5	\$30	20%	20%	20%	\$50	\$400	Stacked	20%	\$5,350	\$1,250	Separate	\$5 / \$40 / 50%, \$100 Brand Ded, VBID = \$1 #
FRVT-HMO-SA2-001-S	HyHMO	Silver	Standard	\$25	\$45	40%	\$250*	40%	\$100	\$1,900	Stacked	40%	\$5,100	\$1,250	Separate	\$12 / \$50 / 50%, \$100 Brand Ded
FRVT-HMOH-SA2-001-S	HDHMO	Silver	Standard	10%	20%	20%	20%	20%	20%	\$1,550	Aggregate	20%	\$5,750	\$1,250	Integrated	\$10 / \$40 / 50%
FRVT-HMO-SA2-001-N	HyHMO	Silver	Non-Standard	\$10	\$40	50%	\$400*	50%	\$100	\$1,700	Stacked	50%	\$5,100	\$1,250	Separate	\$12 / \$60 / 50%, \$200 Brand Ded, VBID = \$3 #
FRVT-HMO-BA2-001-S	HMO	Bronze	Standard	\$35*	\$80*	50%	50%	50%	\$100*	\$3,500	Stacked	50%	\$6,350	\$1,250	Integrated	\$20 / \$80 / 60%, \$300 Ded
FRVT-HMOH-BA2-001-S	HDHMO	Bronze	Standard	50%	50%	50%	50%	50%	50%	\$2,000	Aggregate	50%	\$6,250	\$1,250	Integrated	\$12 / 40% / 60%
FRVT-HMO-BA2-001-N	HMO	Bronze	Non-Standard	\$30*	\$100*	50%	50%	50%	\$100*	\$3,000	Stacked	50%	\$6,350	\$1,250	Separate	20 / 90 / 60%, \$200 Brand Ded, VBID = \$3 **

American India	ın and Alaskan Native (A	I/AN) Benefits (Subsi	dized)					In	-Network E	Benefits						
			Standard/Non-			IP					Deductible		Med OOP	Rx OOP	OOP Max	
Coplan	Product Type	Metal Level	Standard	PCP	SCP	(Med/Surg)	ER	OP Surg	Amb	Ded	Type	Coins.	Max	Max	Type	Pharmacy
FRVT-HMO-BA1-001-S	HMO	Bronze	Standard	\$0	\$0	0%	\$0	0%	\$0	\$0	\$0	0%	N/A	N/A	N/A	\$0
FRVT-HMO-BA1-001-N	HMO	Bronze	Non-Standard	\$0	\$0	0%	\$0	0%	\$0	\$0	\$0	0%	N/A	N/A	N/A	\$0

<sup>\*</sup> Cost-sharing applies after deductible is met

<sup>\*\* 3</sup> PCP Office Visits are covered in full

<sup>#</sup> Generic Drugs are Covered in full up to age 10, after Pharmacy deductible is met

Note: MVP's Non-Standard Plan Designs also have a Member Wellness Rider (Form: FRVT-301) attached which provided by a tribal facility after the deductible is met.

# **Exhibit 2 -- Pricing Trend Assumptions**

MVP Health Plan, Inc. 2015 Vermont Exchange Rate Filing For Effective Dates Beginning Between January 1, 2015 - December 31, 2015

#### Midpoint

Experience Period:	January 1, 2013 - December 31, 2013	July 1, 2013
Rating Period:	January 1, 2015 - December 31, 2015	July 1, 2015

	2014	2015	Total
Months of Trend	12	12	24

# Medical Trend Summary

	2014 Annual Trend											
	% of Allowed Claims	Allowed Cost	Utilization	Total								
IP	20.9%	6.0%	0.0%	6.0%								
OP and Other Med	47.9%	5.4%	0.0%	5.4%								
PHY	31.3%	15.3%	0.0%	15.3%								
Medical Total		8.6%	0.0%	8.6%								

2015 Annual Trend											
	% of Allowed Claims	Allowed Cost	Utilization	Total							
IP	20.9%	6.0%	0.0%	6.0%							
OP and Other Med	47.9%	5.4%	0.0%	5.4%							
PHY	31.3%	3.5%	0.0%	3.5%							
Medical Total	Г	4.9%	0.0%	4.9%							

# Annual Allowed Medical Trend 6.8%

	<u></u>			<del>_</del>	
	Allowed-COB	Coinsurance	Copay	Deductible	Paid
Rating Period:	\$362.38	\$3.96	\$4.71	\$68.35	\$285.37
24 Months of Trend:	1.140	1.140	1.000	1.067	1.159
Projection Period:	\$412.99	\$4.52	\$4.71	\$72.96	\$330.81
Allowed Trend (Annual)	6.8%				
Paid Trend (Annual)	7.7%				
Leveraging (Annual)	0.9%				

# Rx Trend Summary

	<u>2014</u>	<u>Trend</u>	<u>2015</u>	<u>Trend</u>
	Unit Cost	Utilization	Unit Cost	Utilization
Generic	-1.4%	3.8%	-1.8%	3.6%
Brand	12.5%	-7.0%	10.1%	-4.6%
Specialty	11.0%	4.0%	8.6%	3.0%

# Exhibit 2b -- Support for Rx Trend Used in Development of Index Rate

MVP Health Plan, Inc. 2015 Vermont Exchange Rate Filing For Effective Dates Beginning Between January 1, 2015 - December 31, 2015

Experience Period: Jan 2013 - Dec 2013 Paid Through: Mar 31, 2014

Member Months with Rx Benefit: 201,474

Rx Claim Information	Generic	Brand	Specialty	Total
	1	2	3	
Experience Period Scripts / 1000	8,468	1,209	51	9,728
Experience Period Allowed Cost per Script	\$20.37	\$186.61	\$3,125.59	\$57.38
Experience Period Deductible per Script	\$7.47	\$42.21	\$153.00	\$12.55
Experience Period Copay per Script	\$2.40	\$12.84	\$20.87	\$3.80
Experience Period Coinsurance per Script	\$0.78	\$11.04	\$27.36	\$2.19
Experience Paid Cost per Script	\$9.72	\$120.51	\$2,924.37	\$38.83
Experience Period Allowed PMPM	\$14.37	\$18.80	\$13.34	\$46.52
Experience Period Cost Sharing PMPM	\$7.52	\$6.66	\$0.86	\$15.03
Experience Period Paid PMPM	\$6.86	\$12.14	\$12.48	\$31.48
Annual Util Trend	1.037	0.942	1.035	1.026
Annual Unit Cost Trend	0.984	1.113	1.098	1.040
Annual Deductible Trend	1.019	1.018	1.019	0.992
Annual Paid Trend	0.974	1.098	1.141	1.090
Months of Trend to Q1 2015**	24.0	24.0	24.0	24.0
Projected Scripts / 1000 as of Q1 2015	9,103	1,073	55	10,231
Projected Allowed Cost per Script as of Q1 2015	\$19.72	\$231.14	\$3,769.17	\$62.00
Projected Deductible per Script	\$7.76	\$43.74	\$159.02	\$12.34
Projected Copay per Script	\$2.58	\$11.39	\$22.35	\$3.61
Projected Coinsurance per Script	\$0.81	\$12.14	\$35.34	\$2.18
Projected Paid Cost per Script as of Q1 2015	\$8.57	\$163.87	\$3,552.46	\$43.86
Projected Allowed PMPM as of Q1 2015	\$14.96	\$20.67	\$17.23	\$52.86
Projected Cost Sharing PMPM as of Q1 2015	\$8.46	\$6.01	\$0.99	\$15.47
Projected Paid PMPM as of Q1 2015	\$6.50	\$14.65	\$16.24	\$37.40

<sup>\*\*</sup>Midpoint of Experience Period -- 07/01/2013, Midpoint of Q1 2015 Rating Period -- 07/01/2015

# Exhibit 3 -- Development of Index Rate

MVP Health Plan, Inc. 2015 Vermont Exchange Rate Filing For Effective Dates Beginning Between January 1, 2015 - December 31, 2015

Experience Period: Jan 2013 - Dec 2013 Completed Through: Mar 31, 2014

	Paid Claims PMPM
Member Months	204,962
FRDM Medical Claims and Capitation/Non-FRDM Information	
I) Total Experience Period Claims	\$276.59
II) Claims in Excess of \$100k in Exp. Period	\$42.12
III) Pooling Charge	1.104
IV) IBNR Factor Completed Through Mar-14	1.032
Net Experience Period Claims Covered for Exchange Pricing = [ I) - II) ] * III) * IV)	\$267.14
Elective Abortion Cost (not covered in Exchange)	\$0.00
Vision (Only Pediatric Covered in Exchange)	(\$0.01)
Net Experience Period Claims After Removal of Non-Covered Benefits	\$267.13
Annual Medical Trend	1.077
Months of Trend to Q1 2015**	24.0
Trended Net Experience Period Claims	\$309.67
Expanded benefits due to EHB Requirements and Mandates	
Disposable Supplies	\$0.11
Copay Adjustment for Mental Health/Substance Abuse	\$0.09
Pediatric Vision	\$1.08
Other Benefit Expansions*	\$0.69
Capitations and Non-FRDM Claim Expenses	\$6.78
Trended Incurred Medical Claims PMPM as of Q1 2015	\$318.42
Rx Claim Information	
Experience Period Rx Claims	\$31.48
Annual Rx Trend	1.090
Months of Rx Trend	24.0
Trended Gross Rx Claims PMPM for 2015	\$37.40
Rx Rebates	(\$4.48)
Trended Bill H559 Impact	\$2.28
Trended Net Rx Claims PMPM for 2015	\$35.21
Index Rate Development for 2015	
A) Total Claim Cost for 2015 Excluding Taxes/Assessments/Pediatric Dental, Prior to Adjustments	\$353.62
B) Projected Change in Risk Pool Due to Membership Changes (Morbidity Adjustment)	0.980
C) Pediatric Dental Paid Cost PMPM for 2015	\$5.61
2015 Paid Index Rate = [ A) * B) ] + C)	\$352.16
D) Removing Pediatric Dental Allowed Cost PMPM for 2014 from Adjusted Paid Cost	(\$5.61)
E) Impact of Temporary Reinsurance Pool on 2015 Adjusted Paid Cost	0.953
Support for Impact of Temporary Reinsurance Pool on Merged Market Adj. Paid Cost	
Avg Value of Temporary Reinsurance Pool from 2011 - 2013	7.6%
Projected % of Membership in Individual Market	61.3%
Adjustment to Merged Market Adjusted Paid Amount	-4.7%
F) Payment Transfer Impact	\$0.00
G) 2015 Adjusted Paid Amount = [2015 Paid Index Rate + D) ] * E) + F) reflects a Benefit Relativity of 70.1%	\$330.30

<sup>\*</sup>Other Benefit expansions include: Wigs, Sterilization Reversal, Couples Therapy, and Private Duty Nursing \*\*Midpoint of Experience Period -- 07/01/2013, Midpoint of 2015 Rating Period -- 07/01/2015

# **Exhibit 3a -- Pediatric Dental Net Claim Costs**

MVP Health Plan, Inc. 2015 Vermont Exchange Rate Filing For Effective Dates Beginning Between January 1, 2015 - December 31, 2015

		2014 Net Claims	Increase Due to Type I	2015 Blended Net
Plan Description	Plan Description Form Number		Claims Covered 1st Dollar	Claims Cost
Platinum Standard	FRVT-HMO-P-001-S	\$6.97	0.6%	\$7.01
Gold Standard	FRVT-HMO-G-001-S	\$5.91	2.2%	\$6.04
Gold Non-Standard 2	FRVT-HMO-G-002-N	\$5.97	1.0%	\$6.03
Silver Standard	FRVT-HMO-S-001-S	\$5.59	7.0%	\$5.98
Silver Non-Standard	FRVT-HMO-S-001-N	\$5.58	5.3%	\$5.87
Bronze Standard	FRVT-HMO-B-001-S	\$5.03	14.1%	\$5.74
Bronze Non Standard	FRVT-HMO-B-001-N	\$4.90	12.5%	\$5.51
Silver HDHP Standard	FRVT-HMOH-S-001-S	\$5.61	0.0%	\$5.61
Bronze HDHP Standard	FRVT-HMOH-B-001-S	\$5.42	0.0%	\$5.42
Catastrophic	FRVT-HMO-C-001-S	\$3.08	16.1%	\$3.58

# **Exhibit 4 -- Conversion Factor and Tier Ratios**

MVP Health Plan, Inc. 2015 Vermont Exchange Rate Filing For Effective Dates Beginning Between January 1, 2015 - December 31, 2015

		Subscriber	Member	Avg Contract	
Tier	Contract Type	Months	Months	Size	Load Factor
4	Single	71,027	71,027	1.000	1.000
4	Double	16,135	32,270	2.000	2.000
4	Parent/Child(ren)	4,914	12,402	2.524	1.930
4	Family	22,450	89,263	3.976	2.810

Proposed Conversion Factor 1.165

# Exhibit 5 -- Retention Loads, Taxes/Assessments, and Paid Claim Surcharges

MVP Health Plan, Inc. 2015 Vermont Exchange Rate Filing For Effective Dates Beginning Between January 1, 2015 - December 31, 2015

% of Premium Retention Components										
General Administrative Load	9.50%									
Broker Load	0.00%									
Bad Debt	0.25%									
Contribution to Reserves	1.50%									
Total % of Premium Retention Components	11.25%									
PMPM Retention Components	3									
National Network Fee	\$1.50									
Total % of Premium Retention Components	\$1.50									
% of Premium Taxes and Assessments										
Premium Tax	0.00%									
VT Vaccine Pilot	0.60%									
ACA Insurer Tax	2.00%									
Total % of Premium Taxes/Assessments	2.60%									
% of Paid Claim Taxes and Assessi	ments									
Vermont Paid Claim Surcharge	0.999%									
New York State HCRA Surcharge	0.250%									
Total % of Paid Claim Taxes/Assessments	1.249%									
PMPM Taxes and Assessment	s									
HHS Risk Adjustment User Fee	\$0.08									
Fed Reinsurance Assessment	\$3.67									
Comparative Eff Research Tax	\$0.17									
Total PMPM Taxes/Assessments	\$3.92									

#### Exhibit 6 -- 2015 Exchange Premium Rates

2015 Adjusted Paid Claim Cost (Exhibit 3, Item G) \$330.30 Benefit Relativity Reflected in Index Rate 0.701

								Pediatric	% of														
				Federal and State			Net Claim Cost	Dental Net	Premium	PMPM	% of Premium	% of Paid Claim	PMPM Taxes	Benefits in	Gross					Annual	Annual	Annual	Annual
	Product		Standard/No	Combined	Actuarial	Utilization	PMPM (excl	Claims Cost	Retention	Retention	Taxes and	Taxes /	and	Excess of	Claim Cost			Parent/Child			Double Rate		
Coplan	Type	Metal Level	n-Standard	Subsidy	Value	Factor*	Ped Dental)	(Exh 3a)	Components	Components	Assessments	Assessments	Assessments	EHB's**	PMPM	Single***	Double	(ren)	Family	Change	Change	Change	Change
FRVT-HMO-P-001-S	HyHMO	Platinum	Standard	Non-Subsidized	0.907	1.121	\$478.84	\$7.01	\$64.95	\$1.50	\$15.01	\$6.07	\$3.92	\$0.00	\$577.30		\$1,345.10	\$1,298.02	\$1,889.87	13.2%	13.2%	13.2%	13.2%
FRVT-HMO-G-001-S	НуНМО	Gold	Standard	Non-Subsidized	0.836	1.076	\$423.67	\$6.04	\$57.52	\$1.50	\$13.29	\$5.37	\$3.92	\$0.00	\$511.31		\$1,191.36	\$1,149.66	\$1,673.86	15.9%	15.9%	15.9%	15.9%
FRVT-HMO-G-002-N	НуНМО	Gold	Non-Standard	Non-Subsidized	0.839	1.078	\$426.01	\$6.03	\$57.84	\$1.50	\$13.37	\$5.40	\$3.92	\$0.09	\$514.16		\$1,198.00	\$1,156.07	\$1,683.19	14.8%	14.8%	14.8%	14.8%
FRVT-HMO-S-001-S	HyHMO	Silver	Standard	Non-Subsidized	0.741	1.022 1.005	\$357.03	\$5.98	\$48.70	\$1.50	\$11.26	\$4.53	\$3.92	\$0.00	\$432.92		\$1,008.70	\$973.40	\$1,417.22	18.0%	18.0%	18.0%	18.0%
FRVT-HMOH-S-001-S FRVT-HMO-S-001-N	HDHMO HvHMO	Silver Silver	Standard Non-Standard	Non-Subsidized Non-Subsidized	0.709 0.713	1.005	\$335.55 \$338.18	\$5.61 \$5.87	\$45.81 \$46.21	\$1.50 \$1.50	\$10.59 \$10.68	\$4.26 \$4.30	\$3.92 \$3.92	\$0.00 \$0.09	\$407.24 \$410.75	\$474.43 \$478.52	\$948.86 \$957.04	\$915.65 \$923.54	\$1,333.15 \$1,344.64	10.7% 14.2%	10.7% 14.2%	10.7% 14.2%	10.7% 14.2%
FRVT-HMO-S-001-N FRVT-HMO-B-001-S	,		Standard	Non-Subsidized	0.713	0.973	\$338.18 \$279.39	\$5.87 \$5.74	\$46.21 \$38.41	\$1.50 \$1.50	\$10.68	\$4.30 \$3.56	\$3.92 \$3.92	\$0.09	\$410.75 \$341.39	\$478.52	\$957.04 \$795.44	\$923.54 \$767.60	\$1,344.64	18.3%	18.3%	18.3%	18.3%
FRVT-HMOH-B-001-S	HDHMO	Bronze Bronze	Standard	Non-Subsidized	0.620	0.973	\$279.39 \$285.53	\$5.74 \$5.42	\$38.41 \$39.18	\$1.50 \$1.50	\$8.88 \$9.05	\$3.56 \$3.63	\$3.92 \$3.92	\$0.00	\$341.39	\$405.69	\$795.44 \$811.38	\$767.60 \$782.98	\$1,117.59	10.8%	18.3%	10.8%	18.3%
FRVT-HMO-B-001-N	HMO	Bronze	Non-Standard	Non-Subsidized	0.620	0.977	\$283.69	\$5.42 \$5.51	\$38.96	\$1.50 \$1.50	\$9.00	\$3.61	\$3.92 \$3.92	\$0.00	\$346.29	\$403.43	\$806.86	\$762.96 \$778.62	\$1,133.64	18.0%	18.0%	18.0%	18.0%
FRVT-HMO-C-001-N	HMO	Catastrophic	Standard	Non-Subsidized	0.596	0.533	\$149.67	\$3.58	\$20.97	\$1.50	\$4.85	\$1.91	\$3.92	\$0.00	\$186.40	\$217.16	\$434.32	\$419.12	\$610.22	11.0%	11.0%	11.0%	11.0%
FRVT-HMO-S1-001-S	HvHMO	Silver	Standard	Subsidized (73%)	0.741	1.022	\$357.03	\$5.98	\$48.70	\$1.50	\$11.26	\$4.53	\$3.92	\$0.00	\$432.92		\$1,008,70	\$973.40	\$1,417,22	18.0%	18.0%	18.0%	18.0%
FRVT-HMO-S1-002-S	HVHMO	Silver	Standard	Subsidized (87%)	0.741	1.022	\$357.03	\$5.98	\$48.70	\$1.50	\$11.26	\$4.53	\$3.92	\$0.00	\$432.92		\$1,008.70	\$973.40	\$1,417.22	18.0%	18.0%	18.0%	18.0%
FRVT-HMO-S1-002-S	HvHMO	Silver	Standard	Subsidized (94%)	0.741	1.022	\$357.03	\$5.98	\$48.70	\$1.50	\$11.26	\$4.53	\$3.92	\$0.00	\$432.92		\$1,008.70	\$973.40	\$1,417.22	18.0%	18.0%	18.0%	18.0%
FRVT-HMO-S1-004-S	HvHMO	Silver	Standard	Subsidized (77%)	0.741	1.022	\$357.03	\$5.98	\$48.70	\$1.50	\$11.26	\$4.53	\$3.92	\$0.00	\$432.92		\$1,008.70	\$973.40	\$1,417,22	18.0%	18.0%	18.0%	18.0%
FRVT-HMOH-S1-001-S	HDHMO	Silver	Standard	Subsidized (73%)	0.709	1.005	\$335.55	\$5.61	\$45.81	\$1.50	\$10.59	\$4.26	\$3.92	\$0.00	\$407.24	\$474.43	\$948.86	\$915.65	\$1,333,15	10.7%	10.7%	10.7%	10.7%
FRVT-HMOH-S1-002-S		Silver	Standard	Subsidized (87%)	0.709	1.005	\$335.55	\$5.61	\$45.81	\$1.50	\$10.59	\$4.26	\$3.92	\$0.00	\$407.24	\$474.43	\$948.86	\$915.65	\$1,333,15	10.7%	10.7%	10.7%	10.7%
FRVT-HMOH-S1-003-S	HDHMO	Silver	Standard	Subsidized (94%)	0.709	1.005	\$335.55	\$5.61	\$45.81	\$1.50	\$10.59	\$4.26	\$3.92	\$0.00	\$407.24	\$474.43	\$948.86	\$915.65	\$1,333.15	10.7%	10.7%	10.7%	10.7%
FRVT-HMOH-S1-004-S	HDHMO	Silver	Standard	Subsidized (77%)	0.709	1.005	\$335.55	\$5.61	\$45.81	\$1.50	\$10.59	\$4.26	\$3.92	\$0.00	\$407.24	\$474.43	\$948.86	\$915.65	\$1,333.15	10.7%	10.7%	10.7%	10.7%
FRVT-HMO-S1-001-N	HyHMO	Silver	Non-Standard	Subsidized (73%)	0.713	1.007	\$338.18	\$5.87	\$46.21	\$1.50	\$10.68	\$4.30	\$3.92	\$0.09	\$410.75	\$478.52	\$957.04	\$923.54	\$1,344.64	14.2%	14.2%	14.2%	14.2%
FRVT-HMO-S1-002-N	HyHMO	Silver	Non-Standard	Subsidized (87%)	0.713	1.007	\$338.18	\$5.87	\$46.21	\$1.50	\$10.68	\$4.30	\$3.92	\$0.09	\$410.75	\$478.52	\$957.04	\$923.54	\$1,344.64	14.2%	14.2%	14.2%	14.2%
FRVT-HMO-S1-003-N	HyHMO	Silver		Subsidized (94%)	0.713	1.007	\$338.18	\$5.87	\$46.21	\$1.50	\$10.68	\$4.30	\$3.92	\$0.09	\$410.75	\$478.52	\$957.04	\$923.54	\$1,344.64	14.2%	14.2%	14.2%	14.2%
FRVT-HMO-S1-004-N	HyHMO	Silver	Non-Standard	Subsidized (77%)	0.713	1.007	\$338.18	\$5.87	\$46.21	\$1.50	\$10.68	\$4.30	\$3.92	\$0.09	\$410.75	\$478.52	\$957.04	\$923.54	\$1,344.64	14.2%	14.2%	14.2%	14.2%
FRVT-HMO-PA2-001-S		Platinum	Standard	AI/AN	0.907	1.121	\$478.84	\$7.01	\$64.95	\$1.50	\$15.01	\$6.07	\$3.92	\$0.00	\$577.30		\$1,345.10	\$1,298.02	\$1,889.87	13.2%	13.2%	13.2%	13.2%
FRVT-HMO-GA2-001-S		Gold	Standard	AI/AN	0.836	1.076	\$423.67	\$6.04	\$57.52	\$1.50	\$13.29	\$5.37	\$3.92	\$0.00	\$511.31		\$1,191.36	\$1,149.66	\$1,673.86	15.9%	15.9%	15.9%	15.9%
FRVT-HMO-GA2-002-N		Gold	Non-Standard	AI/AN	0.839	1.078	\$426.01	\$6.03	\$57.84	\$1.50	\$13.37	\$5.40	\$3.92	\$0.09	\$514.16		\$1,198.00	\$1,156.07	\$1,683.19	14.8%	14.8%	14.8%	14.8%
FRVT-HMO-SA2-001-S		Silver	Standard	AI/AN	0.741	1.022	\$357.03	\$5.98	\$48.70	\$1.50	\$11.26	\$4.53	\$3.92	\$0.00	\$432.92		\$1,008.70	\$973.40	\$1,417.22	18.0%	18.0%	18.0%	18.0%
FRVT-HMOH-SA2-001-S		Silver	Standard	AI/AN	0.709	1.005	\$335.55	\$5.61	\$45.81	\$1.50	\$10.59	\$4.26	\$3.92	\$0.00	\$407.24	\$474.43	\$948.86	\$915.65	\$1,333.15	10.7%	10.7%	10.7%	10.7%
FRVT-HMO-SA2-001-N		Silver	Non-Standard	AI/AN	0.713	1.007	\$338.18	\$5.87	\$46.21	\$1.50	\$10.68	\$4.30	\$3.92	\$0.09	\$410.75	\$478.52	\$957.04	\$923.54	\$1,344.64	14.2%	14.2%	14.2%	14.2%
FRVT-HMO-BA2-001-S		Bronze	Standard	AI/AN	0.609	0.973	\$279.39	\$5.74	\$38.41	\$1.50	\$8.88	\$3.56	\$3.92	\$0.00	\$341.39	\$397.72	\$795.44	\$767.60	\$1,117.59	18.3%	18.3%	18.3%	18.3%
FRVT-HMOH-BA2-001-S		Bronze	Standard	AI/AN	0.620	0.977	\$285.53	\$5.42	\$39.18	\$1.50	\$9.05	\$3.63	\$3.92	\$0.00	\$348.23	\$405.69	\$811.38	\$782.98	\$1,139.99	10.8%	10.8%	10.8%	10.8%
FRVT-HMO-BA2-001-N		Bronze	Non-Standard	AI/AN	0.617	0.976	\$283.69	\$5.51	\$38.96	\$1.50	\$9.00	\$3.61	\$3.92	\$0.09	\$346.29	\$403.43	\$806.86	\$778.62	\$1,133.64	18.0%	18.0%	18.0%	18.0%
FRVT-HMO-BA1-001-S	HMO	Bronze		AI/AN, Subsidized	0.609	0.973	\$279.39	\$5.74	\$38.41	\$1.50	\$8.88	\$3.56	\$3.92	\$0.00	\$341.39	\$397.72	\$795.44	\$767.60	\$1,117.59	18.3%	18.3%	18.3%	18.3%
FRVT-HMO-BA1-001-N	HMO	Bronze	Non-Standard	AI/AN, Subsidized	0.617	0.976	\$283.69	\$5.51	\$38.96	\$1.50	\$9.00	\$3.61	\$3.92	\$0.09	\$346.29	\$403.43	\$806.86	\$778.62	\$1,133.64	18.0%	18.0%	18.0%	18.0%

<sup>\*</sup>The Induced Utilization Factor for the Catastrophic Plan includes an additional adjustment to reflect the population eligible to purchase the coplan. Support for this factor can be found in the Actuarial Memorandum.

\*\*Reflects cost of Member Wellness Incentive Rider, Form FRVT-301

\*\*\*Child Only Rate = Single Rate



# **Contact Information**

**Company Information** 

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HIOS Issuer ID: 77566 NAIC Number: 95521

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# ACTUARIAL MEMORANDUM

**2015 Vermont Exchange Rate Filing** 

# **Scope and Purpose**

This memorandum details the methods and assumptions underlying the proposed 2015 premium rates for the State of Vermont's Individual and SHOP Exchange. These products will be issued by MVP Health Plan, Inc., a non-profit subsidiary of MVP Health Care, Inc. The rate filing has been prepared to satisfy the requirements of 8 V.S.A §5104 as well as the requirements of the Federal ACA including 45 CFR Part 156, §156.80. The premium rates are effective between 1/1/2015 and 12/31/2015. These rates reflect an average rate adjustment to prior rates of 15.4%, ranging from 10.7% to 18.3%.

#### Market/Benefits

All products and rates included in this rate filing are available to both individuals and small employer groups. A description of benefits is included in Exhibit 1 of the rate filing. All Essential Health Benefits (EHBs) are covered. Only one EHB substitution was made as required by the Department of VHA, a substitution for the \$2,000 annual Private Duty Nursing benefit limit in the benchmark plan. MVP contracted Milliman to determine an actuarially equivalent visit limit. The supporting memorandum is included with the documents supplementing this filing. The non-standard products proposed by MVP and included in this rate filing include a wellness benefit in excess of the EHBs. This wellness benefit is included in all non standard products and is filed as a mandatory rider, Form: FRVT-301.

To inform consumers of the availability and details of the products included in this filing, MVP will provide community outreach support as well as offer web and print product content and other printed product materials for VT plans. MVP will also have a mass media presence to further educate health care customers in Vermont.

The book of business affected by this rate filing reflects 2,371 policyholders, 3,134 subscribers and 4,798 members.

#### **Experience Period Claims (Rate Filing Exhibit 3)**

In conjunction with the single risk pool requirement, the paid claims for MVP's small group EPO, small group PPO, small group HMO, small group HDHPs, and Individual Indemnity were combined together for the incurred experience period 1/1/2013 - 12/31/2013, paid through 3/31/2014 and used in the development of the Index Rate for premium rate development.

Paid claim data includes claims from our fee for service (FFS) claim warehouse along with additional medical expenses not captured in the claim warehouse such as: payments associated with medical home, physician incentive payments, FFS write-offs and net reinsurance expenses.

An allowance for incurred but not reported paid claims was added to the experience period FFS medical claims. The IBNR factors were supplied directly from MVP's reserving actuary. MVP uses a combination PMPM and completion factor method to develop IBNR estimates. Vermont specific data for the experience period was used to develop the factors and they are consistent with the IBNR factors used in MVP's monthly financial statements.

## **Adjustments to Experience Period Claims (Rate Filing Exhibit 3)**

MVP pooled FFS medical claims in excess of \$100,000. To determine a pooling charge, MVP analyzed claims in excess of \$100,000 for rolling 12 month periods with end dates between December 2011 and December 2012. These time periods were chosen to eliminate the impact of high cost claims over the experience period used to set the premium rates included with this filing. The result of this analysis resulted in a pooling charge of 10.4% being applied to FFS medical claims net of amounts in excess of \$100,000.

# **Projection Factor Adjustments to Experience Period Claims (Rate Filing Exhibit 3)**

Benefits covered in the experience period do not fully reflect mandates imposed by both the federal government and the state of Vermont as well as changes due to the EHB benchmark plan. The items listed below identify the necessary adjustments.

## **Benefits being removed**

Included in MVP's current contracts are optional riders for coverage of elective abortion and vision benefits. The PMPM cost of these benefits in the experience period were identified and subtracted from the experience period base cost.

# **Expanded Benefits Due to EHB Requirements and Mandates**

Disposable Supplies

The projected allowed cost to cover this benefit equals \$0.14 PMPM. To account for the additional costs associated with this rider, MVP multiplied the projected allowed cost times the projected paid to allowed ratio (75.3%), or \$0.11 PMPM.

### Copay Adjustment for Mental Health/Substance Abuse

New legislation has been passed by the State of VT requiring carriers to charge a plan's PCP copay for mental health and substance abuse (MH/SA) claims taking place in the outpatient or office setting. MVP re-priced its experience period MH/SA claims to reflect this modification which resulted in \$0.09 PMPM being added to the starting claim cost for 2015.

#### Pediatric Vision

Vision exams and a hardware allowance for children is now a standard benefit in the benchmark plan. MVP contracted Milliman to estimate the cost of this benefit. The supporting memorandum is included with the documents supplementing this filing. The projected allowed amount provided by Milliman is being multiplied by the projected paid to allowed ratio in 2015 to convert Milliman's allowed estimate to a paid claim estimate.

### Pediatric Dental

Dental coverage for children is a standard benefit in the benchmark plan. MVP is adjusting the pediatric dental costs provided in the 2014 Exchange Filing for 1<sup>st</sup> dollar coverage of Type I services. Note that the adjustment for covering Type I services 1<sup>st</sup> dollar is not applicable to qualified high deductible health plans.

#### *Mandatory Rx Coverage (Exhibits 2b and Exhibit 3)*

Over the experience period, MVP had 201,474 member months enrolled in Rx products compared to 204,962 total member months. MVP analyzed the Rx utilization of members enrolled in Rx products over the experience period (Exhibit 2b) and developed a projected Rx claim cost for 2015. MVP assumed that members not receiving Rx coverage in the experience period would have the same Rx utilization in the projection period as members enrolled in Rx products over the experience period.

#### Bill H559 Impact

Bill H559 was effective beginning with October 2012 renewals. Included in this regulation is a new out of pocket maximum for prescription drug expenses. This mandate is applicable to drug rider coverage, as well as drug coverage that is part of an integrated benefit plan.

MVP has recently learned that claim adjustments attributable to Bill H559 were not being processed within MVP's claim system during the experience period driving this rate filing. Therefore, an adjustment to the experience period claims was needed. To quantify the impact of this mandate, MVP analyzed member level drug claims over the experience period. MVP captured amounts paid by members in excess of the Rx OOP maximum. The sum of these amounts was trended to the projection period to quantify the impact of this mandate on drug claims in 2015.

#### Other New Benefits

In addition to the above, MVP will cover Private Duty Nursing, Sterilization Reversal, Couples Therapy and Wigs as a result of the EHB requirements. MVP contracted Milliman to estimate the cost of these additional benefits. The supporting memorandum is included with the documents supplementing this filing. The projected allowed amount provided by Milliman is being multiplied by the projected paid to allowed ratio in 2015 to convert Milliman's allowed estimate to a paid claim estimate.

#### **Trend Factors**

The development of annual medical trend factors is illustrated in Exhibit 2a. Consistent with recently submitted filings, MVP is applying 0% utilization trend to its medical data. The assumed unit cost trends reflect known and assumed price increases from MVP's provider network. Facility unit cost trends reflect the Green Mountain Care Board (GMCB) approved budget increases as well as contract changes signed between MVP and hospitals. Since the 2015 hospital budget increases have not yet been proposed by the GMCB, MVP has assumed the 2015 facility unit cost increases will equal the 2014 facility unit cost increases. The physician unit cost changes reflect the contractual rate changes negotiated between MVP and physician groups, weighted on the utilization of these physician groups by MVP's commercial population.

In addition to the medical cost inflation rate assumed from the historical experience period to the rating period, an adjustment is needed to reflect the impact of cost share leveraging on the carrier's share of the medical cost. Leveraging is a result of the fixed nature of deductibles and copays in health benefit plans. When there are fixed member deductibles and copays, the carrier bears a greater portion of the cost of medical inflation. Therefore, an additional factor adjustment is made to the trend assumption to capture this cost.

Annual Rx trend factors split by generic, brand and specialty drugs are also illustrated in Exhibit 2a. These trend factors were supplied by MVP's pharmacy vendor and reflect their best estimate of MVP's expected changes to pharmacy costs and drug utilization. MVP analyzed the distribution of Rx claims over the experience period within each Rx category and projected claims to the rating period. The development of MVP's aggregate Rx trend factor and Rx claim projection can be found in Exhibit 2b.

The trend applied to the deductible portion of the experience period was derived using the distribution of claims for MVP's VT book of business. Claims below the average deductible amount over the experience period were trended at the applicable allowed trend rate while claims greater than the deductible were held flat.

#### **Rx Rebates**

The basis of MVP's Rx rebate assumptions were formed by analyzing Rx rebates as a % of Rx claim expense over the experience period. Experience period rebates were then adjusted to reflect any contract changes occurring between the experience period and projection period. This amount was multiplied by MVP's projected gross Rx claim cost to derive a PMPM Rx rebate projection.

# Other Adjustments to 2015 Projected Claim Cost (Rate Filing Exhibit 3)

# Demographic/Morbidity Changes to MVP's Single Risk Pool

MVP is applying a 2.0% morbidity improvement factor to its projection of experience period data. This adjustment is consistent with the GMCB's decision and order from MVP's 2014 Exchange filing. MVP does not have sufficient Exchange data to support modifying this assumption, and as a result, has not removed it from this filing.

#### Risk Adjustment and Reinsurance

## **Permanent Risk Adjustment Program**

No adjustment was made to the Adjusted Allowed Amount for anticipated receipts from or payments to HHS for this program. There was no market simulation done by the State of Vermont and therefore no basis for assuming anything other than a \$0 payment transfer between carriers.

#### **Individual Temporary Reinsurance Pool**

MVP's paid claim projection is being adjusted down by 4.7% to account the anticipated payments from the temporary reinsurance pool in 2015. The adjustment was derived by analyzing claims in the reinsurance corridor from calendar year 2011, 2012, and 2013 after trending claims to the projection period. A coinsurance amount of 50% was applied to claims in the corridor and the average over the three calendar years was calculated to arrive at 7.6%. As of April 2014, 61.3% of enrollees in ACA compliant plans are individuals. The percentage of members enrolled in individual products was applied to the expected reinsurance recoveries to determine the aggregate adjustment factor for this program.

## **Temporary Risk Corridor**

No adjustment was made to the Adjusted Allowed Amount due to the temporary program.

# **Actuarial Values**

The AV Metal Level for each plan was determined using the federally prescribed Actuarial Value Calculator (AVC). No adjustments to the Federal AVC were required to certify to MVP's non-standard benefits. Screenshots from the Federal AVC are attached in SERFF for all of the benefits being offered by MVP in this filing.

The Pricing Actuarial Value for each plan was determined using MVP's in house benefit pricing tools. The pricing tools value the paid-to-allowed ratio of unique benefit plan designs from a starting single risk pool allowed amount. Induced utilization differences between benefit plans are not assumed in MVP benefit pricing model, but are reflected in the proposed premiums. To account for induced utilization, MVP is applying the induced utilization slope outlined in the HHS Notice of Benefit and Payment parameters for each plan design relative to the experience period paid to allowed ratio.

# **Single Conversion Factor and Tier Ratios**

Over the experience period, MVP offered small groups the option of purchasing 2-tier, 3-tier, or 4-tier contracts. For 2015, carriers are required to offer only 4-tier contracts and charge the tier ratios dictated by the State of Vermont. MVP mapped its experience period membership into 4-tier contracts to determine the single conversion factor for 2015. The single conversion factor MVP uses to compute tiered premium rates for 2015 equals 1.165 and can be found in Exhibit 4 of the Rate Filing; this reflects an increase of 0.6% over the single conversion factor applicable in the 2014 rate filing.

#### Retention Loads, Taxes/Assessments, and Paid Claim Surcharges

Exhibit 5 of the Rate Filing summarizes the retention loads and paid claim surcharges MVP will charge in 2014. Note these retention components are broken out into five categories: % of Premium Retention Components, PMPM Retention Components, % of Premium Taxes and Assessments, % of Paid Claim Taxes and Assessments, and PMPM Taxes and Assessments.

#### Temporary Individual Reinsurance Pool

Beginning in 2014, carriers will be assessed a fee to fund the Temporary Reinsurance Pool which supports the individual reinsurance program both in and out of the exchange from 2014 through 2016. In the proposed HHS Notice of Benefit and Parameters for 2015, this fee is \$3.67 PMPM.

#### ACA Insurer Tax

Beginning in 2014, carriers will be taxed based on earned premium. Based on estimates from consultants, this tax will be approximately 2.0% for 2015 dates of service.

#### Paid Claim Taxes

In addition to the State of Vermont 0.999% tax on paid claims, MVP is subject to New York HCRA taxes which are based on paid claims. The New York HCRA tax is based only on claims paid for services performed by New York hospitals. The New York HCRA load equals 0.25%, and is based on historical HCRA charges incurred by MVP for its Vermont members.

#### Premium Tax

As a not-for-profit insurer, MVP Health Plan, Inc. is not subject to premium taxes.

#### HHS Risk Adjustment User Fee

Carriers are assessed a fee to fund the administration of HHS Risk Adjustment program being run by HHS. This fee is \$0.08 PMPM as stated in the Notice of Benefit and Payment Parameters notice for 2015.

#### Comparative Effectiveness Research Fee

A \$0.17 PMPM fee is being charged to fund the Federal Research Fund.

#### VT Vaccine Pilot

A Vermont state assessment based on plan premiums used to fund immunizations provided by the state.

#### General Administrative Expense Load and QI component

A 9.5% administrative load (1.2% for QI, 8.3% for all other) is included in the premium rate to cover MVP's expenses to market, sell and administer health insurance products. MVP is currently working towards improving administrative efficiencies to reduce its operating expenses to align with pricing loads.

#### Contribution to Reserves/Risk Margin

A 1.5% charge is included in the premium rates to serve as either an expected contribution to reserves to maintain solvency requirements if actual costs are more favorable than projected or to mitigate losses if actual costs exceeds those projected.

#### National Network Fee

MVP has contracted with PHCS to provide an expanded network to members purchasing exchange products in VT. The access fee associated with this rental network is approximately \$1.50 PMPM.

## **Development of Rate Tables**

Exhibit 6 of the Rate Filing contains a list of premium rates MVP is proposing to charge for each policy form in 2015. Single rates for each plan were calculated by performing the following calculations:

Net Claim Cost for  $Plan_x = [2015 \text{ Adjusted Paid Claim Cost} / \text{Experience Period Paid-to-Allowed}] * [Plan_x Induced Utilization / Experience Period Induced Utilization] * <math>Plan_x Pricing AV$ 

Gross Claim Cost for  $Plan_x = [[Net Claim Cost for <math>Plan_x + Pediatric Dental Cost_x + Benefits > EHBs] * [1+ % of Paid Claims Taxes/Assessments] + PMPM Retention Components + PMPM Taxes/Assessments] / [1 - % of Premium Retention Components - % of Premium Taxes/Assessments]$ 

**Single Rate**<sub>x</sub> = Gross Claim Cost for  $Plan_x * Single Conversion Factor$ 

Note that members purchasing a non-standard plan will receive MVP's Member Wellness Incentive (Form: FRVT-301). This benefit provides adult members with up to \$50 per year in incentives. MVP projects the net cost of this benefit to equal \$0.09. This figure was derived by analyzing the cost of MVP's current wellness program which

provides a \$300 incentive per contract. The per-contract incentive of \$300 was converted to a per-adult incentive at the reduced benefit of \$50 per year. This additional cost was added to the plan specific values as a plan specific adjustment.

An additional plan level adjustment was applied to the catastrophic plan to account for the unique age eligibility requirements as permitted by the Federal ACA Rules. MVP did not reflect the fact that individuals facing financial hardship could also qualify to enroll in this plan. As of April 2014, it does not appear that anyone enrolled in this plan due to financial hardship as all of MVP's enrollees meet the age restrictions of this plan (< 30 years old). MVP determined the adjustment factor for this plan by calculating the age/gender factor for the eligible population and comparing it to the age/gender factor of the experience period membership. The eligible population was assumed to be any member under the age of 30 that was not attached to a subscriber age 30 or older. It was assumed that a member under the age of 30 and attached to a subscriber age 30 or older would enroll as a dependent in a non-catastrophic plan. The eligibility adjustment factor is equal to 0.549.

#### **Loss Ratios**

The target pricing loss ratios included in these proposed premium rates comply with Federal and State requirements. The projected Federal MLR reflected in these premium rates is 89.5% and derived in the table below.

Traditional and Federal Target Loss Ratio Summary for 2015 Vermont Exchange Filing					
Non Claim Expense Categories	Included in Federal MLR	Type of Load	2015 Premium Rates		
General Admin (excluding QI Expenses)	Υ	% premium	8.3%		
Contribution to Reserves/Risk Margin	Υ	% premium	1.5%		
Broker Load	Υ	% premium	0.0%		
Administrative Expenses for QI	N	% premium	1.2%		
State Premium Tax	N	% premium	0.0%		
Federal ACA Insurer Fees	N	% premium	2.0%		
VT Vaccine Pilot	Υ	% premium	0.6%		
VT Paid Claim Surcharges	Υ	% paid claims	1.0%		
NY HCRA Claim Surcharges	Υ	% paid claims	0.25%		
National Network Fee	Υ	PMPM	\$1.50		
Federal HHS Risk Adjustment User Fees	N	PMPM	\$0.08		
Federal Reinsurance Contribution Rate	N	PMPM	\$3.67		
Comparative Eff Research Tax	N	PMPM	\$0.17		
Projected Net Incurred Claims			\$352.16		
Paid Claim Surcharges/Vaccine Assessment			\$6.80		
Assumed Individual Reinsurance Recovery			(\$16.48)		
Total Projected Medical Expense			\$342.48		
Total Projected Gross Premium			\$399.88		
Target Traditional MLR (total proj. medical expense/	85.6%				
Adjusted Medical Expense (add QI expenses)	\$347.27				
Adjusted Premium (Fed&State non claims taxes/fees	\$387.96				
Target Federal MLR			89.5%		

# **Actuarial Data Set**

The section titled "Consumer Adjusted Premium Rate Development" is intended to crosswalk the URRT 2015 Allowed Index Rate to the plan specific required gross premiums. There were three challenges we faced to complete this crosswalk.

The first is based on our belief that the crosswalk needs to reflect the gross expected reinsurance recoveries to develop the Market Adjusted Index Rate, which is the starting point to develop plan specific premium rates. The reinsurance contribution rate (\$3.67 PMPM) is added to each plan specific projected claim cost along with the other non claim expenses. If the net reinsurance PMPM is used to derive the Market Adjusted Index Rate, then the pricing AVs that

get applied to it distort the \$3.67 load per plan. Therefore, we used the gross expected reinsurance recoveries for this line in the template and included the \$3.67 in the administrative load per plan. Also to note is the PMPM gross reinsurance recovery assumed reflects the Allowed amount times the 4.7% (1-.953) assumption used in the paid claim projection in the rate filing.

The second is related to the fact that our premium rates were developed based on our historical paid claim data and benefit adjustment factors (from MVP's benefit pricing model) to reflect the differences between the average in force actuarial value and the actuarial values of each Exchange plan. However, the URRT requires the development of a projected Allowed PMPM Index rate from historical allowed claims and a paid claim projection based on the projected paid to allowed ratio. The projected paid claims in the URRT tie to our projected paid claims used to develop premium rates, but the projected paid to allowed ratio for the in force block (i.e. in force AV) illustrated in the URRT doesn't tie to that used in our rate filing. This is due to the fact that the URRT ratio is based on actual claims and the ratio used in the rate setting is based on our benefit pricing model. There will always be a calibration factor to tie actual paid to allowed ratios to those projected by any model projecting actuarial values. To address this issue, we made an adjustment to the Market Adjusted PMPM Index Rate.

The third is that in our rating methodology we added the cost of Pediatric Dental as the last step in the rate development, and therefore pricing AVs in this crosswalk need to be applied a Market Adjusted Index Rate that excludes pediatric dental. The pediatric dental is then added to each plan specific projected claim cost.

In the section titled "Trend and Projection Assumption" we wanted to point out that the utilization trend factors input for Facility and Physician claims reflect the average trend factor for Inpatient, Outpatient and Physician combined. This is consistent with how we applied trends in the rate filing. Detailed trend factors by service category are illustrated in the rate filing template in Exhibit 2A.

#### Reliance

I relied upon the Actuarial Certifications for the Actuarial Certification of the EHB substitution for the Private Duty Nursing annual benefit limit provided by Howard Kahn from Milliman Consulting. In addition, I relied on him for estimates of the cost of specific benefit expansions included in the EHB and pediatric dental claim costs.

#### **Actuarial Certification**

I, Matthew Lombardo, am a Member of the American Academy of Actuaries. The projected Index Rate and Adjusted Paid Amount used in the development of these proposed premium rates is in compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)) and developed in compliance with the applicable Actuarial Standards of Practice. I have examined the assumptions and methods used in determining MVP's requested rates. Based on my review and examination, it is my opinion that the proposed premium rates are reasonable in relation to the benefits provided and that they are not excessive, nor inadequate, nor unfairly discriminatory. They are developed using only the permitted rating classifications. The Adjusted Paid Amount and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates. The Standard AV Calculator was used to determine the Metal AV Value to be show in Worksheet 2 of the Part I Unified Rate Review template for all the plans.

I certify that I am knowledgeable as to the Vermont laws and regulations that apply to this filing and that, to the best of my knowledge and belief, this filing is in compliance with such laws and regulations and provides all required benefits.

I am of the opinion that this filing is in compliance with the applicable Federal and State Laws and Regulations concerning the PPACA and the HCERA of 2010.

I certify that each rate filing has been prepared in accordance with the following; ASOP#5, ASOP#8, ASOP#12, ASOP#23, ASOP#25, ASOP#26, and ASOP#41.

Mather Louloto

Matthew Lombardo, FSA, MAAA Actuarial Manager, Commercial Pricing MVP Health Plan, Inc. 05/30/2014

Date



# General Information – Company and Contact Information

#### **Company Information**

Company Legal Name: MVP Health Plan, Inc.

State: Vermont

Market: Combined - Small Group and Individual

 HIOS Issuer ID:
 77566

 NAIC Number:
 95521

Effective Date: January 1, 2015

#### **Primary Contact Information**

Contact Name: Matthew Lombardo, FSA, MAAA
Contact Title: Actuarial Manager, Commercial Pricing

Primary Contact Phone #: 1-800-777-4793, ext. 2483

Primary Contact Address: 625 State Street

Schenectady, NY 12301-2207

Primary Contact E-mail: mlombardo@mvphealthcare.com



# ACTUARIAL MEMORANDUM

2015 Vermont Exchange Rate Filing

# Scope and Purpose

This memorandum details the methods and assumptions underlying the proposed 2015 premium rates for the State of Vermont's Individual and SHOP Exchange. These products will be issued by MVP Health Plan, Inc., a non-profit subsidiary of MVP Health Care, Inc. The rate filing has been prepared to satisfy the requirements of 8 V.S.A §5104 as well as the requirements of the Federal ACA including 45 CFR Part 156, §156.80. The premium rates are effective between 1/1/2015 and 12/31/2015. These rates reflect an average rate adjustment to prior rates of 15.4%, ranging from 10.7% to 18.3%.

#### **Drivers of Rate Increase**

The proposed premium rates reflect an increase over the prior rates due to medical inflation from 2014 to 2015, updated contract information impacting 2014 unit cost trends, and a change in the target loss ratio. Premium rate increases are varying by plan due to modifications of MVP's benefit relativity model as well as leveraging on leaner plans. As the cost of providing health care increases and while deductibles and copays remain fixed, carriers bear a larger portion of the cost. Leveraging has a larger impact on leaner plan designs (bronze) in comparison to rich plan designs (platinum).

## Market/Benefits

All products and rates included in this rate filing are available to both individuals and small employer groups. A description of benefits is included in Exhibit 1 of the rate filing. All Essential Health Benefits (EHBs) are covered. Only one EHB substitution was made as required by the Department of VHA, a substitution for the \$2,000 annual Private Duty Nursing benefit limit in the benchmark plan. MVP contracted Milliman to determine an actuarially equivalent visit limit. The supporting memorandum is included with the documents supplementing this filing. The non-standard products proposed by MVP and included in this rate filing include a wellness benefit in excess of the EHBs. This wellness benefit is included in all non-standard products and is filed as a mandatory rider, Form: FRVT-301.

To inform consumers of the availability and details of the products included in this filing, MVP will provide community outreach support as well as offer web and print product content and other printed product materials for VT plans. MVP will also have a mass media presence to further educate health care customers in Vermont.

The book of business affected by this rate filing reflects 2,371 policyholders, 3,134 subscribers and 4,798 members.

#### **Experience Period Premium and Claims (Worksheet 1, Section 1 of Unified Rate Review Template)**

Worksheet 1, Section 1 of the Unified Rate Review Template contains MVP Health Plan, Inc. Small Group HMO Data for Vermont members over the time period 1/1/2013 - 12/31/2013, completed through 3/31/2014. MVP's loss ratio

exceeds minimum loss ratio requirements, and therefore no adjustments were made to the earned premium amount reflected on Worksheet 1, Section 1 of the Unified Rate Review Template. The earned premium shown reflects the amount of premium MVP collected from groups over the experience period.

Allowed claim data includes claims from our fee for service (FFS) claim warehouse along with additional medical expenses not captured in the claim warehouse such as: payments associated with medical home, physician incentive payments, FFS write-offs and net reinsurance expenses.

An allowance for incurred but not reported paid claims was added to the experience period allowed claims. The IBNR factors were supplied directly from MVP's reserving actuary. MVP uses a combination PMPM and completion factor method to develop IBNR estimates. Vermont specific data for the experience period was used to develop the factors and they are consistent with the IBNR factors used in MVP's monthly financial statements.

A summary of experience period claims processed through MVP's claim system, experience period costs not processed through MVP's claims system, as well as an estimate of IBNR are summarized below.

	Allowed	Incurred	
Claims Processed Through Claim System	\$922,323	\$883,406	
Experience Period Costs Not Processed Through Claims System	\$96,103	\$96,103	
IBNR	\$5,420	\$4,959	
Total	\$1,023,846	\$984,468	

# **Benefit Categories (Worksheet 1, Section 2 of Unified Rate Review Template)**

MVP determines benefit category based on the type of claim form submitted in conjunction with the code and type of code attached to the claim form (i.e. ICD-9, Diagnosis Code, or HCPCS). Member encounter data is used to determine utilization for claims falling under the "Other" category.

### **Projection Factors (Worksheet 1, Section 2 of Unified Rate Review Template)**

#### Demographic/Morbidity Changes to MVP's Single Risk Pool

MVP is applying a 2.0% morbidity improvement factor to its projection of experience period data. This adjustment is consistent with the GMCB's decision and order from MVP's 2014 Exchange filing. MVP does not have sufficient Exchange data to support modifying this assumption, and as a result, has not removed it from this filing.

**Benefits Being Removed:** Included in MVP's current contracts are optional riders for coverage of elective abortion and vision benefits. The PMPM cost of these benefits in the experience period was identified and subtracted from the experience period base cost.

# New benefits due to EHB and Federal and State Mandates:

#### Disposable Supplies

The projected allowed cost to cover this benefit equals \$0.14 PMPM.

#### Copay Adjustment for Mental Health/Substance Abuse

New legislation has been passed by the State of VT requiring carriers to charge a plan's PCP copay for mental health and substance abuse (MH/SA) claims taking place in the outpatient or office setting. MVP re-priced its experience period MH/SA claims to reflect this modification which resulted in \$0.09 PMPM being added to the starting claim cost for 2015.

#### Pediatric Vision

Vision exams and a hardware allowance for children is now a standard benefit in the benchmark plan. MVP contracted Milliman to estimate the cost of this benefit. The supporting memorandum is included with the documents supplementing this filing.

#### Pediatric Dental

Dental coverage for children is a standard benefit in the benchmark plan so the expected costs for this new benefit were added to the cost projection.

#### *Mandatory Rx Coverage (Exhibits 2b and Exhibit 3)*

Over the experience period, MVP had 201,474 member months enrolled in Rx products compared to 204,962 total member months. MVP analyzed the Rx utilization of members enrolled in Rx products over the experience period (Exhibit 2b) and developed a projected Rx claim cost for 2015. MVP assumed that members not receiving Rx coverage in the experience period would have the same Rx utilization in the projection period as members enrolled in Rx products over the experience period.

#### Other New Benefits

In addition to the above, MVP will cover Private Duty Nursing, Sterilization Reversal, Couples Therapy and Wigs as a result of the EHB requirements. MVP contracted Milliman to estimate the cost of these additional benefits. The supporting memorandum is included with the documents supplementing this filing.

# Pooling Charge

MVP pooled FFS medical claims in excess of \$100,000. To determine a pooling charge, MVP analyzed claims in excess of \$100,000 for rolling 12 month periods with end dates between December 2011 and December 2012. These time periods were chosen to eliminate the impact of high cost claims over the experience period used to set the premium rates included with this filing. The result of this analysis resulted in a pooling charge of 10.4% being applied to FFS medical claims net of amounts in excess of \$100,000. The impact of the pooling claims in excess of \$100,000 is included in the "Other" projection factors on Worksheet 1, Section 2.

#### **Trend Factors**

MVP is applying 0% utilization trend to its medical data. The assumed unit cost trends reflect known and assumed price increases from MVP's provider network. Facility unit cost trends reflect the Green Mountain Care Board (GMCB) approved budget increases as well as contract changes signed between MVP and hospitals. Since the 2015 hospital budget increases have not yet been proposed by the GMCB, MVP has assumed the 2015 facility unit cost increases will equal the 2014 facility unit cost increases. The physician unit cost changes reflect the contractual rate changes negotiated between MVP and physician groups, weighted on the utilization of these physician groups by MVP's commercial population.

Annual Rx trend factors split by generic, brand and specialty drugs were supplied by MVP's pharmacy vendor and reflect their best estimate of MVP's expected changes to pharmacy costs and drug utilization. To develop an aggregate Rx trend factor, MVP analyzed the distribution of claims over the experience period within each Rx category.

## **Credibility Manual Rate Development (Worksheet 1, Section 2 of Unified Rate Review Template)**

MVP is filing its 2015 Exchange products on its HMO license, MVP Health Plan, Inc. (MVP HMO) which contained 1,195 member months for calendar year 2013. From January 2010 to December 2013, MVP's small group and individual HMO membership has decreased by 97%. Due to the size of the HMO block and the instability of the population in recent years, 0% credibility is being assigned to the data included in Section 1, Worksheet 1 of the Unified Rate Review Template and the first portion of Section 2, Worksheet 1 of the Unified Rate Review Template.

In conjunction with the single risk pool requirement, the allowed claims for MVP's small group EPO, small group PPO, small group HMO, and Individual Indemnity products were combined together for the incurred experience period 1/1/2013 - 12/31/2013, completed through 3/31/2014 and used in the development of the Allowed Index rate. The majority of the experience period members were enrolled in products on MVP's Insurance Company license, MVP Health Insurance Co. (MVP HIC). MVP assumes the merged risk pool data of 204,962 member months is 100% credible. MVP consulted with Milliman regarding credibility and according to Milliman's HCC cost guidelines, full credibility is assumed with 5,074 members.

A portion of the index rate claims are covered under a capitation arrangement. The cost associated with these claims reflects the PMPM payment MVP will owe its capitated vendors in 2015.

# Paid-to-Allowed Ratio (Worksheet 1, Section 3 & Worksheet 2, Section 4 of Unified Rate Review Template)

MVP projects a 75.4% actuarial value in 2015 assuming metal level requirements do not exist in the projection period. The paid-to-allowed ratio shown on Worksheet 2, Section 4 differs from the amount shown on Worksheet 1, Section 3 as members enrolled in plans outside of a metal level will be required to purchase plans with a different expected paid-to-allowed ratio in 2015.

#### **Risk Adjustment and Reinsurance**

#### **Permanent Risk Adjustment Program**

No adjustment was made to the Index rate for anticipated receipts from or payments to HHS for this program. There was no market simulation done by the State of Vermont and therefore no basis for assuming anything other than a \$0 payment transfer between Carriers.

## **Individual Temporary Reinsurance Pool**

MVP's paid claim projection is being adjusted down by 4.7% to account for the anticipated payments from the temporary reinsurance pool in 2015. The adjustment was derived by analyzing claims in the reinsurance corridor from calendar year 2011, 2012, and 2013 after trending claims to the projection period. A coinsurance amount of 50% was applied to claims in the corridor and the average over the three calendar years was calculated to arrive at 7.6%. As of April 2014, 61.3% of enrollees in ACA compliant plans are individuals. The percentage of members enrolled in individual products was applied to the expected reinsurance recoveries to determine the aggregate adjustment factor for this program. This translates to a value of \$12.81 PMPM net of the reinsurance contribution of \$3.67 PMPM.

# **Temporary Risk Corridor**

No adjustment was made to the Index rate due to the temporary program.

# Non-Benefit Expenses and Risk Margin

#### Temporary Individual Reinsurance Pool

Beginning in 2014, carriers will be assessed a fee to fund the Temporary Reinsurance Pool which supports the individual reinsurance program both in and out of the exchange from 2014 through 2016. In the proposed HHS Notice of Benefit and Parameters for 2015, this fee is \$3.67 PMPM.

#### ACA Insurer Tax

Beginning in 2014, carriers will be taxed based on earned premium. Based on estimates from consultants, this tax will be approximately 2.0% for 2015 dates of service.

#### Paid Claim Taxes

In addition to the State of Vermont 0.999% tax on paid claims, MVP is subject to New York HCRA taxes which are based on paid claims. The New York HCRA tax is based only on claims paid for services performed by New York hospitals. The New York HCRA load equals 0.25%, and is based on historical HCRA charges incurred by MVP for its Vermont members.

# Premium Tax

As a not-for-profit insurer, MVP Health Plan, Inc. is not subject to premium taxes.

#### HHS Risk Adjustment User Fee

Carriers are assessed a fee to fund the administration of HHS Risk Adjustment program being run by HHS. This fee is \$0.08 PMPM as stated in the Notice of Benefit and Payment Parameters notice for 2015.

Comparative Effectiveness Research Fee

A \$0.17 PMPM fee is being charged to fund the Federal Research Fund.

#### VT Vaccine Pilot

A Vermont state assessment based on plan premiums used to fund immunizations provided by the state.

#### General Administrative Expense Load and QI component

A 9.5% administrative load (1.2% for QI, 8.3% for all other) is included in the premium rate to cover MVP's expenses to market, sell and administer health insurance products. MVP is currently working towards improving administrative efficiencies to reduce it operating expenses to align with pricing loads. The percent being charged is less than the administrative percent charge reflected in MVP's Supplemental Health Care Exhibit for 2013 in the State of VT.

#### Contribution to Reserves

A 1.5% charge is included in the premium rates to serve as either an expected contribution to reserves to maintain solvency requirements if actual costs are more favorable than projected or to mitigate losses if actual costs exceed those projected.

#### National Network Fee

MVP has contracted with PHCS to provide an expanded network to members purchasing exchange products in VT. The access fee associated with this rental network is approximately \$1.50 PMPM.

## **Loss Ratio**

The target pricing loss ratios included in these proposed premium rates comply with Federal and State requirements. The projected Federal MLR reflected in these premium rates is 89.5%. Please see the table below for an illustrative calculation:

### Traditional and Federal Target Loss Ratio Summary for 2015 Vermont Exchange Filing

Non Claim Expense Categories	Included in Federal MLR	Type of Load	2015 Premium Rates
General Admin (excluding QI Expenses)	Υ	% premium	8.3%
Contribution to Reserves	Υ	% premium	1.5%
Broker Load	Υ	% premium	0.0%
Administrative Expenses for QI	N	% premium	1.2%
State Premium Tax	N	% premium	0.0%
Federal ACA Insurer Fees	N	% premium	2.0%
VT Vaccine Pilot	Υ	% premium	0.6%
VT Paid Claim Surcharges	Υ	% paid claims	1.0%
NY HCRA Claim Surcharges	Υ	% paid claims	0.25%
National Network Fee	Υ	PMPM	\$1.50
Federal HHS Risk Adjustment User Fees	N	PMPM	\$0.08
Federal Reinsurance Contribution Rate	N	PMPM	\$3.67
Comparative Eff Research Tax	N	PMPM	\$0.17
Projected Net Incurred Claims			\$352.16
Paid Claim Surcharges/Vaccine Assessment			\$6.80
Assumed Individual Reinsurance Recovery			(\$16.48)
Total Projected Medical Expense			\$342.48
Total Projected Gross Premium			\$399.88
Target Traditional MLR (total proj. medical expense/p	85.6%		
Adjusted Medical Expense (add QI expenses)	\$347.27		
Adjusted Premium (Fed&State non claims taxes/fees	\$387.96		
Target Federal MLR			89.5%

# **Index Rate and Premium Rate Development**

The experience period index rate of \$823.82 is equal to the small group HMO allowed claim data for the time period, 1/1/2013 - 12/31/2013, completed through 3/31/2014. Note, MVP HMO has experienced significant membership losses over the past four years and there were only 1,195 member months enrolled in this product over the experience period. As a result, MVP does not deem this data to be credible.

The projection period index rate of \$475.35 equals the projected single risk pool allowed claim cost adjusted to reflect the essential health benefits covered in the Exchange. A summary of the adjustments made to the experience period data to arrive at the index rate can be found in this memorandum under the section, "Projection Factors". The projection period index rate does not reflect expected risk adjustment payments/charges or the impact of the federal reinsurance program.

To arrive at plan-specific premium rates, the impact of pediatric dental claims were removed as MVP's benefit relativity model does not account for dental claims. Next, the expected recoveries from the Temporary Reinsurance Pool were removed from the index rate and the projected paid-to-allowed ratio was applied to arrive at an adjusted paid amount of \$330.30; this amount represents the starting point for which all plan premiums were developed after making market-wide adjustments. Single rates for each plan were calculated by performing the following calculations:

**Net Claim Cost for Plan**<sub>x</sub> = [2015 Adjusted Paid Claim Cost / Experience Period Paid-to-Allowed] \* [Plan<sub>x</sub> Induced Utilization / Experience Period Induced Utilization] \* Plan<sub>x</sub> Pricing AV

Gross Claim Cost for Plan<sub>x</sub> = [[Net Claim Cost for Plan<sub>x</sub> + Pediatric Dental Cost<sub>x</sub> + Benefits > EHBs] \* [1+ % of Paid Claims Taxes/Assessments] + PMPM Retention Components + PMPM Taxes/Assessments] / [1 - % of Premium Retention Components - % of Premium Taxes/Assessments]

**Single Rate**<sub>x</sub> = Gross Claim Cost for Plan<sub>x</sub> \* Single Conversion Factor

MVP is applying the induced utilization slope outlined in the HHS Notice of Benefit and Payment parameters for each plan design relative to the experience period paid to allowed ratio. Non-single contract rates were computed using the mandated standard tier ratios.

Note that members purchasing a non-standard plan will receive MVP's Member Wellness Incentive (Form: FRVT-301). This benefit provides adult members with up to \$50 per year in incentives. MVP projects the net cost of this benefit to equal \$0.09. This figure was derived by analyzing the cost of MVP's current wellness program which provides a \$300 incentive per contract. The per-contract incentive of \$300 was converted to a per-adult incentive at the reduced benefit of \$50 per year. This additional cost was added to the plan specific values as a plan specific adjustment.

An additional plan level adjustment was applied to the catastrophic plan to account for the unique age eligibility requirements as permitted by the Federal ACA Rules. MVP did not reflect the fact that individuals facing financial hardship could also qualify to enroll in this plan. As of April 2014, it does not appear that anyone enrolled in this plan due to financial hardship as all of MVP's enrollees meet the age restrictions of this plan (< 30 years old). MVP determined the adjustment factor for this plan by calculating the age/gender factor for the eligible population and comparing it to the age/gender factor of the experience period membership. The eligible population was assumed to be any member under the age of 30 that was not attached to a subscriber age 30 or older. It was assumed that a member under the age of 30 and attached to a subscriber age 30 or older would enroll as a dependent in a non-catastrophic plan. The eligibility adjustment factor is equal to 0.549.

# **Actuarial Values**

The AV Metal Level for each plan was determined using the federally prescribed Actuarial Value Calculator (AVC). No adjustments to the Federal AVC were required to certify to MVP's non-standard benefits. Screenshots from the Federal AVC are attached in SERFF for all of the benefits being offered by MVP in this filing.

The AV Pricing Value for each plan was determined using MVP's in-house benefit pricing tools. The pricing tools value the paid-to-allowed ratio of unique benefit plan designs from a starting single risk pool allowed amount. Induced utilization differences between benefit plans are not assumed in the model, but are reflected in the proposed premiums. To account for induced utilization, MVP is applying the induced utilization slope outlined in the HHS Notice of Benefit and Payment parameters for each plan design relative to the experience period paid to allowed ratio.

# Membership Projection

MVP has assumed the 2015 Exchange membership will equal the current Exchange membership enrollment by product and CSR level. MVP recognizes that groups and individuals that have not yet renewed their benefits in 2014 are not reflected in this figure.

# **Terminated Products**

MVP is terminating its non-grandfathered existing small group and individual Vermont portfolio of products in 2014. Internal discussions are still taking place regarding the decision to retire MVP's grandfathered individual products. The following is a list of the HIOS Product IDs reflected in the "Terminated Products" field of Worksheet 2: 92802VT002, 92802VT003, 92802VT004, 92802VT005, 92802VT006, 92802VT007, 92802VT010, 77556VT001, 77556VT002, 77556VT004.

# **Warning Alerts**

There are no warning alerts.

# Reliance

I relied upon the Actuarial Certifications for the Actuarial Certification of the EHB substitution for the Private Duty Nursing annual benefit limit provided by Howard Kahn from Milliman Consulting. In addition, I relied on him for estimates of the cost of specific benefit expansions included in the EHB and pediatric dental claim costs.

# **Actuarial Certification**

I, Matthew Lombardo, am a Member of the American Academy of Actuaries. The projected Index Rate and Adjusted Paid Amount used in the development of these proposed premium rates is in compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)) and developed in compliance with the applicable Actuarial Standards of Practice. I have examined the assumptions and methods used in determining MVP's requested rates. Based on my review and examination, it is my opinion that the proposed premium rates are reasonable in relation to the benefits provided and that they are not excessive, nor inadequate, nor unfairly discriminatory. They are developed using only the permitted rating classifications. The Adjusted Paid Amount and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates. The Standard AV Calculator was used to determine the Metal AV Value to be show in Worksheet 2 of the Part I Unified Rate Review template for all the plans.

I certify that I am knowledgeable as to the Vermont laws and regulations that apply to this filing and that, to the best of my knowledge and belief, this filing is in compliance with such laws and regulations and provides all required benefits.

I am of the opinion that this filing is in compliance with the applicable Federal and State Laws and Regulations concerning the PPACA and the HCERA of 2010.

I certify that each rate filing has been prepared in accordance with the following; ASOP#5, ASOP#8, ASOP#12, ASOP#23, ASOP#25, ASOP#26, and ASOP#41.

Mather Louloto

Matthew Lombardo, FSA, MAAA Actuarial Manager, Commercial Pricing MVP Health Plan, Inc. 05/30/2014

Date



# Consumer Disclosure about Proposed Health Insurance Rate Increase 2015 Vermont Exchange Rate Filing

MVP Health Plan, Inc. (MVP) is a not-for-profit health care payer operating in Vermont and New York. MVP's mission is to provide high quality and affordable health care with a focus on wellness to our members.

MVP must obtain approval from the Green Mountain Care Board (GMCB) for the health insurance premium rates charged. MVP files premium rates for the Exchange annually which are guaranteed for 12 months. This rate filing seeks approval of MVP's 2015 premium rates (dates of coverage between January 1, 2015 and December 31, 2015).

The premium rates filed for approval reflect MVP's current estimate of the cost to provide health insurance for that coverage period. The filed premium rates may be higher or lower than the previously filed premium rates. However, premium rates generally increase over time. Increases in premium rates are driven by many factors including increases in use of medical services by the insured population, increases in hospital and physician required charges for medical care, expanded covered services due to government mandates, fees and assessments charged by the government to insurers, and the exit of healthier individuals from the insurance market place as the cost of insurance increases.

The premium rates included in this rate filing reflect a 15.4% increase over the prior rates. The minimum proposed rate change for members renewing is 10.7% while the maximum rate change is 18.3%. 4,798 members are enrolled in products included in this filing.

The proposed premium rates for this filing are subject to a public comment period which begins on the day the GMCB posts this filing to its website and concludes after 15 days.

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I hereby certify that I have reviewed the applicable filing requirements for this filing and the filing complies with all applicable statutory and regulatory provisions for the state of Vermont.

Print Name: James Hynek Title: Executive Vice President & CFO

Signature: Date: 5/29/14

	A B C D	E	F	G	Н	I J	K	L	М	N O	P	Q	R	S	T	U V	Х	Υ
1	Unified Rate Review v2.0.2																	
2																		
3	Company Legal Name:	<b>MVP Health P</b>	lan, Inc.	State:	VT													
4	HIOS Issuer ID:	77566		Market:	Combined													
5	Effective Date of Rate Change(s):	1/1/2015																
6 7																		
7	-																	
8	Market Level Calculations (Same for all P	lans)																
9 10 11																		
11	Section I: Experience period data																	
12	Experience Period:	1/1/2013	to	12/31/2013														
			Experience Period															
13			Aggregate Amount		% of Prem													
14	Premiums (net of MLR Rebate) in Experie Incurred Claims in Experience Period	ence Period:	\$870,440 \$984,468	\$728.40 823.82	100.00% 113.10%													
15 16 17 18	Allowed Claims:		\$1,023,846	823.82 856.78	113.10%													
17	Index Rate of Experience Period		<del>+ 1/010/010</del>	\$856.78														
18	Experience Period Member Months		1,195															
19 20 21																		
20	Section II: Allowed Claims, PMPM basis		Experienc	e Period		Projec	tion Period:	1/1/201	.5 to	12/31/201		Mid-noint to Mi	d-noint Evnerie	nce to Projection:	24	months		
Ħ			Experienc	e i ciiou		Adj't. from		Annualiz		12/51/201	,	viia point to ivii	u point, Experie	nee to riojection.	24	HOTELIS	-	
22			on Actual Exper	ience Allowed		to Projecti	on Period	Fac	tors	Projections,	before credibilit	/ Adjustment		Credibility Manual	<u> </u>			
		Utilization	Utilization per	Average		Pop'l risk				Utilization per	Average		Utilization	Average				
23	Benefit Category	Description	1,000	Cost/Service	PMPM	Morbidity	Other	Cost	Util	1,000	Cost/Service	PMPM	per 1,000	Cost/Service	PMPM			
24	Inpatient Hospital	Days Visits	1,020.66		\$141.95	0.980 0.980	1.003 1.003	1.060 1.054	1.000 1.000	1,000.25	\$1,882.37			\$4,931.26	\$83.83 177.05			
25	Outpatient Hospital Professional	Visits	3,799.69 8.084.45	965.91 343.90	305.85 231.69	0.980	1.003	1.054	1.000	3,723.70 7,922.76				1,005.06 319.07	133.04			
27	Other Medical	Other	495.17	965.74	39.85	0.980	1.003	1.054	1.000	485.27	1,075.97			814.71	20.73			
28	Capitation	Benefit Period	12,000.00	80.42	80.42	0.980	1.000	1.000	1.000	11,760.00	80.42	78.81	11760.00	6.78	6.64			
29	Prescription Drug	Prescriptions	18,707.95	36.57	57.02	0.980	1.000	1.040	1.026	19,280.88	39.52			64.68	54.04			
24 25 26 27 28 29 30 31	Total				\$856.78							\$948.42			\$475.35			
31																After Credibility		
32	Section III: Projected Experience:				Projected Allowed	Experience Clain Paid to Allow				able)		0.00%			100.00%	\$475.35 0.741	\$27,36	58,464
34						Projected Inc		,		i't PMPM						\$352.16		75,912
35						Projected Ris			c or mak Mu	, ., . 1911 191						0.00		0
36									insurance rec	overies, net of rein p	rem, PMPM					\$352.16		75,912
37						Projected AC	reinsurance	recoveries,	net of rein pre	m, PMPM						12.84	7:	39,372
38					Projected Incurred	d Claims										\$339.32	\$19,5	36,540
40					Administrative Exp	ense Load									10.12%	40.60	2,3	37,470
41					Profit & Risk Load										1.50%	6.02		46,324
42					Taxes & Fees										3.76%	15.07	_	57,935
43					Single Risk Pool G		. Rate, PMPN	И								\$401.01 \$475.35	\$23,0	88,269
45					Index Rate for Pro	jection Period % increase ov	er Experience	e Period								\$475.35 -44.95%		
46						% Increase, a										-25.80%		
32 33 34 35 36 37 38 40 41 42 43 44 45 46 47					Projected Membe	r Months												57,576
48																		
49	Information Not Releasable to the F	Public Unless Author I, distributed, or copi										ust not be						
50	uisseminated	i, distributed, or copi	eu to persons not au	unorized to recei	ve the information	i. oridutilorized (	isciosure may	y result iii pr	osecution to t	ne run exterit of the	iaw.							
50																		

#### Product-Plan Data Collection

 Company Legal Name:
 MVP Health Plan, Inc.

 HIOS Issuer ID:
 77566

 Effective Date of Rate Change(s):
 1/1/2015

·	-	-	-	-	$\leftarrow$	-	$\leftarrow$							$\overline{}$	-	-	-	-	-		4
Section I: General Product and Plan Information Product						Management	MO Contract Ind									ermont HMO Contract					Terminated Prod
Product ID:	1 '						66VT004					( 7			Vei	77566VT005	Grp				77566VT002
		Platinum		4 00	d Silver	r Silver		2	2	2	Catastrophic	Platinum	0.1	ld Gold	ld Silver		er Silver		2000	te Bronze	
Metal:	1 '	0.880	m Gold 0.795	0.780	0.712	0.692	0.681	r Bronze 0.615	e Bronze 0.606	e Bronze 0.599	0.604	n 880	0.795	0.780	0.712	0.692	0.681	er Bronze 0.615	e Bronze 0.606	e Bronze 0.599	ce Catastrop
AV Metal Value	1 '																				
AV Pricing Value	4 '	0.907	0.836	0.839	0.741	0.709	0.713	0.609	0.620	0.617	0.596	0.907	0.836	0.839	0.741	0.709	0.713	0.609	0.620	0.617	0.000
Plan Type:	4 '	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO
1	1 '		4	4	4	4		4	4	4		<i>(</i>	4	4	4	4	4			4	Terminating
Plan Name	1 '	FRVT-HMO-P-001-	1- FRVT-HMO-G-001-	FRVT-HMO-G-002-	FRVT-HMO-S-001-	FRVT-HMOH-S-	FRVT-HMO-S-001-	FRVT-HMO-B-001-	FRVT-HMOH-B-	FRVT-HMO-B-001-	FRVT-HMO-C-001-	FRVT-HMO-P-001-	FRVT-HMO-G-001-	FRVT-HMO-G-002	FRVT-HMO-S-001-	FRVT-HMOH-S-	FRVT-HMO-S-001-	FRVT-HMO-B-001-	FRVT-HMOH-B-	FRVT-HMO-B-001-	1- Products: 2013
1	1 '	S	S	N N	S	001-S	N	S	001-S	N	S	S	S	N	S	001-S	N	S	001-S	N	Experience
Plan ID (Standard Component ID):	· ·	77566VT0040001	1 77566VT0040002	77566VT0040004	77566VT0040005	77566VT0040006	6 77566VT0040007	77566VT0040009	77566VT0040010	77566VT0040011	77566VT0040013	77566VT0050001	77566VT0050002	2 77566VT0050004	4 77566VT0050005	5 77566VT0050006	J 77566VT0050007	/ 77566VT0050009	77566VT0050010	0 77566VT0050011	4 77566VT00201
Exchange Plan?	1 .	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Historical Rate Increase - Calendar Year - 2						0.5	0.00%									0.00%					8.70%
Historical Rate Increase - Calendar Year - 1						0.5	0.00%									0.00%					12.20%
Historical Rate Increase - Calendar Year 0						0.0	0.00%									0.00%					0.00%
Effective Date of Proposed Rates		1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015
Rate Change % (over prior filing)		12.49%	% 15.23%	6 14.15%	6 17.27%	6 10.04%	6 13.47%	6 17.61%	6 10.11%	6 17.27%	10.35%	12.49%	15.23%	% 14.15%	% 17.27%	% 10.04%	% 13.47%	% 17.61%	6 10.11%	% 17.27%	% 0
Cum'tive Rate Change % (over 12 mos prior)	ĺ	12.49%	% 15.23%	6 14.15%	6 17.27%	10.04%	% 13.47%	6 17.61%	6 10.11%	6 17.27%	10.35%	12.49%	15.23%	% 14.15%	% 17.27%	% 10.04%	% 13.47%	% 17.61%	6 10.11%		
Proj'd Per Rate Change % (over Exper. Period)		#DIV/0!	0! #DIV/0!	! #DIV/0!	! #DIV/0!	! #DIV/0!	)! #DIV/0!	! #DIV/0!	#DIV/0!	! #DIV/0!	#DIV/01	#DIV/0!	#DIV/0!	0! #DIV/0!	0! #DIV/0!	)! #DIV/0!	0! #DIV/0!	0! #DIV/0!	! #DIV/0!	0! #DIV/0!	0! -100

State: Market:

VT Combined

#### Section II: Components of Premium Increase (PMPM Dollar Amount above Current Average Rate PMPN

Plan ID (Standard Component ID):	Total	77566VT0040001	77566VT0040002	77566VT0040004	77566VT0040005	77566VT0040006	77566VT0040007	77566VT0040009	77566VT0040010	77566VT0040011	77566VT0040013	77566VT0050001	77566VT0050002	77566VT0050004	77566VT0050005	77566VT0050006	77566VT0050007	77566VT0050009	77566VT0050010	77566VT0050011	77566VT002000
Inpatient	\$0.00	\$16.69	\$17.99	\$16.84	\$17.16	\$9.39	\$12.82	\$13.79	\$8.10	\$13.73	\$4.45	\$16.69	\$16.69	\$16.69	\$16.69	\$16.69	\$16.69	\$16.69	\$16.69	\$16.69	\$0.0
Outpatient	\$0.00	\$5.07	\$5.46	\$5.11	\$5.21	\$2.85	\$3.89	\$4.19	\$2.46	\$4.17	\$1.35	\$5.07	\$5.07	\$5.07	\$5.07	\$5.07	\$5.07	\$5.07	\$5.07	\$5.07	\$0.0
Professional	\$0.00	\$34.68	\$37.37	\$34.98	\$35.64	\$19.51	\$26.63	\$28.64	\$16.82	\$28.52	\$9.24	\$34.68	\$34.68	\$34.68	\$34.68	\$34.68	\$34.68	\$34.68	\$34.68	\$34.68	\$0.0
Prescription Drug	\$0.00	-\$4.20	-\$4.52	-\$4.23	-\$4.31	-\$2.36	-\$3.22	-\$3.46	-\$2.04	-\$3.45	-\$1.12	-\$4.20	-\$4.20	-\$4.20	-\$4.20	-\$4.20	-\$4.20	-\$4.20	-\$4.20	-\$4.20	\$0.0
Other	\$0.00	-\$3.56	-\$3.84	-\$3.60	-\$3.66	-\$2.01	-\$2.74	-\$2.94	-\$1.73	-\$2.93	-\$0.95	-\$3.56	-\$3.56	-\$3.56	-\$3.56	-\$3.56	-\$3.56	-\$3.56	-\$3.56	-\$3.56	\$0.0
Capitation	\$0.00	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.0
Administration	\$0.00	\$7.75	\$8.09	\$7.71	\$7.71	\$5.12	\$6.26	\$6.48	\$4.62	\$6.47	\$3.20	\$7.75	\$8.09	\$7.71	\$7.71	\$5.12	\$6.26	\$6.48	\$4.62	\$6.47	\$0.0
Taxes & Fees	\$0.00	\$1.52	\$1.54	\$1.41	\$1.29	\$0.32	\$0.73	\$0.72	\$0.05	\$0.72	-\$0.69	\$1.52	\$1.54	\$1.41	\$1.29	\$0.32	\$0.73	\$0.72	\$0.05	\$0.72	\$0.0
Risk & Profit Charge	\$0.00	\$6.09	\$5.45	\$5.46	\$4.65	\$4.26	\$4.35	\$3.67	\$3.64	\$3.72	\$1.95	\$6.09	\$5.45	\$5.46	\$4.65	\$4.26	\$4.35	\$3.67	\$3.64	\$3.72	\$0.0
Total Rate Increase	\$0.00	\$64.09	\$67.59	\$63.74	\$63.74	\$37.14	\$48.77	\$51.12	\$31.98	\$51.00	\$17.48	\$64.09	\$63.82	\$63.32	\$62.39	\$58.43	\$60.07	\$59.60	\$57.04	\$59.64	\$0.0
Member Cost Share Increase	\$0.00	\$0.37	-\$0.85	-\$0.66	\$0.60	\$14.49	\$5.24	\$1.78	\$16.42	\$0.55	\$9.82	\$0.37	-\$0.85	-\$0.66	\$0.60	\$14.49	\$5.24	\$1.78	\$16.42	\$0.55	\$0.0

Average Current Rate PMPM \$354.39 \$513.21	\$443.72 \$450.42	\$260.19	6270.10	\$361.98	\$200.27	\$316.25	\$295.29	\$168.92	\$513.21	\$443.72	\$450.42	¢260.10	\$270.10	\$361.00	\$290.27	\$216.2E	\$295.29	\$0.00
Projected Member Months 57,576 2,664	924 336	4.452	2.160	4.152	14.760	1.584	3.072	1.188	4.848	1.044	672	3.024	4.860	1.548	1.944	2.868	1.476	30.00

#### tion III: Experience Period Information

			r		r	r															
Plan ID (Standard Component ID):	Total	77566VT0040001	77566VT0040002	77566VT0040004	77566VT0040005	77566VT0040006	77566VT0040007	77566VT0040009	77566VT0040010	77566VT0040011	77566VT0040013	77566VT0050001	77566VT0050002	77566VT0050004	77566VT0050005	77566VT0050006	77566VT0050007	77566VT0050009	77566VT0050010	77566VT0050011	77566VT0020001
Average Rate PMPM	\$728.40																				\$728.40
Member Months	1,195																				1,195
Total Premium (TP)	\$870,440	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$870,440
EHB Percent of TP, [see instructions]	0.00%																				0.00%
state mandated benefits portion of TP that are other than EHB	0.00%																				0.00%
Other benefits portion of TP	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total Allowed Claims (TAC)	\$1,023,846																				\$1,023,846
EHB Percent of TAC, [see instructions]	100.00%																				100.00%
state mandated benefits portion of TAC that are other than EHB	0.00%																				0.00%
Other benefits portion of TAC	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%
Allowed Claims which are not the issuer's obligation:	\$39,378																				\$39,378
Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$C	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Portion of above payable by HHS on behalf of insured person, as %	0.00%	#DIV/0!	0.00%																		
Total Incurred claims, payable with issuer funds	\$984,468	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$984,468
Net Amt of Rein	\$0.00																				\$0.00 \$0.00
Net Amt of Risk Adj	\$0.00																				\$0.00
Incurred Claims PMPM	\$823.82	#DIV/0!	#DIV/01	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/01	#DIV/0!	#DIV/0!	\$823.82								
Allowed Claims PMPM	\$856.78	#DIV/0!	#DIV/01	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/01	#DIV/0!	#DIV/0!	\$856.78								
EHB portion of Allowed Claims, PMPM	\$856.78	#DIV/0!	\$856.78																		

### :tion IV: Projected (12 months following effective date)

Plan ID (Standard Component ID):	Total	77566VT0040001	77566VT0040002	77566VT0040004	77566VT0040005	77566VT0040006	77566VT0040007	77566VT0040009	77566VT0040010	77566VT0040011	77566VT0040013	77566VT0050001	77566VT0050002	77566VT0050004	77S66VT00S000S	77566VT0050006	77566VT0050007	77S66VT00S0009	77566VT0050010	77566VT0050011	77566VT0020001
Plan Adjusted Index Rate	\$405.50	\$577.30	\$511.31	\$514.16	\$432.92	\$407.24	\$410.75	\$341.39	\$348.23	\$346.29	\$186.40	\$577.30	\$511.31	\$514.16	\$432.92	\$407.24	\$410.75	\$341.39	\$348.23	\$346.29	
Member Months	57,576	2,664	924	336	4,452	2,160	4,152	14,760	1,584	3,072	1,188	4,848	1,044	672	3,024	4,860	1,548	1,944	2,868	1,476	-
Total Premium (TP)	\$23,347,087	\$1,537,927	\$472,450	\$172,758	\$1,927,360	\$879,638	\$1,705,434	\$5,038,916	\$551,596	\$1,063,803	\$221,443	\$2,798,750	\$533,808	\$345,516	\$1,309,150	\$1,979,186	\$635,841	\$663,662	\$998,724	\$511,124	\$0
EHB Percent of TP, [see instructions]	100.00%	100.00%	100.00%	99.98%	100.00%	100.00%	99.98%	100.00%	100.00%	99.97%	100.00%	100.00%	100.00%	99.98%	100.00%	100.00%	99.98%	100.00%	100.00%	99.97%	
state mandated benefits portion of TP that are other																					
than EHB	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.02%		0.00%	0.03%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.02%	0.00%	0.00%	0.03%	
Other benefits portion of TP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Total Allowed Claims (TAC)	\$27,655,513	\$1,429,321	\$475,991	\$173,407	\$2,179,132	\$1,039,806	\$2,002,686	\$6,880,827	\$741,442	\$1,436,488	\$305,390	\$2,601,106	\$537,807	\$346,814	\$1,480,165	\$2,339,564	\$746,666	\$906,255	\$1,342,459	\$690,188	
EHB Percent of TAC, [see instructions]	100.00%	100.00%	100.00%	99.98%	100.00%	100.00%	99.98%	100.00%	100.00%	99.97%	100.00%	100.00%	100.00%	99.98%	100.00%	100.00%	99.98%	100.00%	100.00%	99.97%	
state mandated benefits portion of TAC that are other																					
than EHB	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.02%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.02%	0.00%	0.00%	0.03%	
Other benefits portion of TAC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Allowed Claims which are not the issuer's obligation	\$8,055,728	\$132,655	\$77,667	\$27,772	\$559,272	\$300,683	\$570,942	\$2,666,394	\$279,351	\$546,025	\$121,647	\$241,408	\$87,754	\$55,544	\$379,883	\$676,538	\$212,866	\$351,184	\$505,795	\$262,348	
Portion of above payable by HHS's funds																					
on behalf of insured person, in dollars	\$139,620	\$0	\$0	\$0	\$49,882	\$25,237	\$64,501	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Portion of above payable by HHS on behalf		,		1								l				,					
of insured person, as %	1.73%	0.00%	0.00%	0.00%	8.92%	8.39%	11.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	#DIV/0!

Total Incurred claims, payable with issuer funds	\$19,599,785	\$1,296,666	\$398,323	\$145,635	\$1,619,860	\$739,123	\$1,431,744	\$4,214,433	\$462,091	\$890,463	\$183,742	\$2,359,698	\$450,054	\$291,270	\$1,100,282	\$1,663,026	\$533,800	\$555,072	\$836,665	\$427,840	\$0
Net Amt of Rein	\$739,372	\$61,984	\$21,499	\$7,818	\$103,587	\$50,258	\$96,606	\$343,427	\$36,856	\$71,478	\$27,642	-\$17,792	-\$3,831	-\$2,466	-\$11,098	-\$17,836	-\$5,681	-\$7,134	-\$10,526	-\$5,417	
Net Amt of Risk Adj	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

# ${\it Please provide Company specific inputs for any cells shaded in blue that currently has dummy variables.}$

# Purpose, Scope, and Reason for Rate Increase

Insurance Company Name HIOS ID SERFF Filing Number Date of Submission Proposed Effective Date

MVP Health Care, Inc.
77566
MVPH-129560321
6/2/2014
1/1/2015

Average annual premium per policy

Proposed Overall Rate Change Proposed Minimum Rate Change Proposed Maximum Rate Change

Ве	fore Rate Increase \$4,253	After Rate Increase \$4,866	1
	14.42%	Difference between figure quoted in Act	uarial Memoradum and cell B15 due
	10.70% 18.32%		

Palativity

Relationship of Proposed Rate Scale to Current Rate Scale Due to:

nt Rate Scale Due to:	Description	Relativity
Claims Experience	2015 Trend, Impact of 2014 Contract Changes after 2014 Exchange filing submission, Correction to Claim Projection in 2014 Rate Filing	1.0836
Age / Gender	N/A	1.0000
Tier	Change in Single Conversion Factor	1.0060
Geography	N/A	1.0000
Tobacco	N/A	1.0000
Benefit Plan Relativities	Changes to pricing model	1.0291
Mandated Benefit Changes	Pediatric Dental (Class 1 Covered in Full), Mental Health/ Sub Abuse Changes	1.0013
Non-Mandated Benefit Changes	Addition of National Network	1.0026
	Change in Temporary Reinsurance Recoveries assumed and Contribution Rate, Impact of GMCB decision on 2014 Rates (excluding morbidity impact)	1.0160
	Total Average Relativity of Proposed vs. Current Scale	1.1442

Description

Annual Rate Change Distribution

	Impacted # of Subscribers	Impacted # of Members	Impacted # of Policyholders
Reduction of 15.00% or more	0	0	0
Reduction of 10.01% to 14.99%	0	0	0
Reduction of 5.01% to 10.00%	0	0	0
Reduction of 0.01% to 5.00%	0	0	0
No Change	0	0	0
Increase of 0.01% to 5.00%	0	0	0
Increase of 5.01% to 10.00%	0	0	0
Increase of 10.01% to 14.99%	1,414	2,240	894
Increase of 15.00% or more	1,720	2,558	1,477
Total	3,134	4,798	2,371

History of Rate Changes		
		Average Annual Approved Rate
Rate Effective Month and Year:	Average Annual Proposed Rate Change	Change
2012	0.00%	0.00%
2013	0.00%	0.00%
2014	0.00%	0.00%

# Experience Period Used in Rate Development

General Description of Experience Used in Rate Development (may be different than experience shown in URRT)  Does experience include pools/blocks of business not affected by propoed rate change?	ralendar Year 2013 data for Small Grou roducts Yes	up AR42, AR44, and Individual Indemnity  (Yes or No)
	Incurred From Month/Year	Incurred To Month/Year
Time period used for Experience Data in Rate Development	1/1/2013	12/31/2013
Total Written Premium in Experience Period Total Earned Premium in Experience Period Total Incurred Claims in Experience Period Loss Ratio Paid Through Date For Claims IBNR as % of Incurred Claims	\$76,268,269 \$76,188,105 \$66,330,611 87.06% 3/31/2014 2.54%	
IBNR as # of Months of Paid Claims	0.30	
Number of Policyholders Number of Covered Lives	2,371 4,798	•
Service Category	Incurred Claims \$ PMPM	% Incurred
Inpatient Facility	\$73.11	22.6%

Outpatient Facility	\$126.54	39.1%
Professional	\$76.37	23.6%
Prescription Drugs	\$31.48	9.7%
Capitation and Other Provider Payments	\$6.78	2.1%
Other	\$9.34	2.9%
Total		

Credibility Analysis
Assumed Experience Credibility %

Description of Credibility Formula and the Theoretical Basis for Use
Alternative Data Sources

Description of Any Alternative Experience Data Used in Rate Development
Description of Any Manual Rate Data Used in Rate Development

# Retention

	PMPM in effect during the experience period	PMPM from Most Recent Approved Rate Filing	Proposed PMPM for Effective Date
Payroll and Benefits	\$21.01	\$29.47	N/A
Outsourced Services (EDP, claims, etc.)	\$3.31	\$6.31	N/A
Auditing and consulting	\$0.33	\$0.49	N/A
Marketing & Advertising	\$2.52	\$2.58	N/A
Legal Expenses	\$0.22	\$0.36	N/A
Other General Admin Expense	\$9.28	\$13.70	N/A
Commissions & Brokers Fees	\$13.68	\$0.09	N/A
Taxes, Licenses & Fees	\$9.90	\$0.00	N/A
Reinsurance	\$0.68	\$0.00	N/A
Profit/Risk Margin	-\$26.41	-\$23.61	N/A

	As % of Premium during the experience period	As % of Premium from Most Recent Approved Rate Filing	Proposed As % of Premium for Effective Date
Payroll and Benefits	5.65%	8.31%	N/A
Outsourced Services (EDP, claims, etc.)	0.89%	1.78%	N/A
Auditing and consulting	0.09%	0.14%	N/A
Marketing & Advertising	0.68%	0.73%	N/A
Legal Expenses	0.06%	0.10%	N/A
Other General Admin Expense	2.50%	3.87%	N/A
Commissions & Brokers Fees	3.68%	0.02%	N/A
Taxes, Licenses & Fees	2.66%	0.00%	N/A
Reinsurance	0.18%	0.00%	N/A
Profit/Risk Margin	-7.11%	-6.66%	N/A

# Trend & Projection Assumptions

		Ut	til. Adjustments to Current Rate
	Util/1000	Benefit Plan	Population
Service Category	Trend	Change	Change
Inpatient Facility	1.0000	1.003	0.990
Outpatient Facility	1.0000	1.003	0.990
Professional	1.0000	1.003	0.990
Prescription Drugs	1.0240	1.000	0.990
Capitation and Other Provider Payments	1.0000	1.000	0.990
Other	1.0000	1.003	0.990

		U	til. Adjustments to Current Rate
	Util/1000 Benefit Plan Population		
Service Category	Trend	Change	Change
Inpatient Facility	1.0000	1.003	0.990
Outpatient Facility	1.0000	1.003	0.990
Professional	1.0000	1.003	0.990
Prescription Drugs	1.0250	1.000	0.990
Capitation and Other Provider Payments	1.0000	1.000	0.990
Other	1.0000	1.003	0.990

Service Category	Incurred Claims \$ PMPM	Medical Trend
Inpatient Facility	\$73.11	1.08759
Outpatient Facility	\$126.54	1.08759
Professional	\$76.37	1.08759
Prescription Drugs	\$31.48	1.11431
Capitation and Other Provider Payments	\$6.78	0.99586
Other	\$9.34	1.08759
Aggregate	\$323.62	1.088272634

Jan-2011	19,543	\$206.57
Feb-2011	19,584	\$226.93
Mar-2011	19,546	\$266.12
Apr-2011	19,562	\$270.08
May-2011	19,346	\$261.56
Jun-2011	19,224	\$273.57
Jul-2011	19,222	\$279.98
Aug-2011	19,209	\$291.11
Sep-2011	19,094	\$278.32
Oct-2011	19,089	\$302.50
Nov-2011	19,038	\$317.16
Dec-2011	18,891	\$299.26
Jan-2012	18,373	\$268.31
Feb-2012	18,270	\$260.99
Mar-2012	18,036	\$288.74
Apr-2012	17,962	\$287.86
May-2012	17,871	\$269.49
Jun-2012	17,832	\$252.26
Jul-2012	17,800	\$253.42
Aug-2012	17,754	\$295.15
Sep-2012	17,702	\$250.06
Oct-2012	17,704	\$359.11
Nov-2012	17,682	\$312.49
Dec-2012	17,546	\$305.80
Jan-2013	17,483	\$300.55
Feb-2013	17,353	\$273.50
Mar-2013	17,292	\$296.14
Apr-2013	17,272	\$297.79
May-2013	17,180	\$338.84
Jun-2013	17,197	\$309.82
Jul-2013	17,105	\$285.51
Aug-2013	17,043	\$328.77
Sep-2013	16,912	\$325.31
Oct-2013	16,806	\$373.47
Nov-2013	16,675	\$331.13
Dec-2013	16,644	\$336.57

Solvency		
	Most Recent Quaterly Financial	Most Recent Annual
	Statement	Financial Statement
Total Adjusted Capital	0	0
Authorized Control Level	0	0
RBC Ratio		

#### Loss Ratio

Time Period	Period Beginning Date	Period Ending Date	Member Months
Historical Year -4	1/1/2009	12/31/2009	204,704
Historical Year -3	1/1/2010	12/31/2010	242,100
Historical Year -2	1/1/2011	12/31/2011	242,669
Historical Year -1	1/1/2012	12/31/2012	220,949
Historical Year 0	1/1/2013	12/31/2013	204,962
Historical Totals			1,115,384

Interim Time Period	1/1/2014	12/31/2014	57,576
	•	•	•
Future Year 1	1/1/2015	12/31/2015	57,576

Anticiptated Federal loss ratio standard in market

89.5%

Justification for relationship of Federal MLR standard and the projected future loss ratio including detailed break down of adjustments

Please see the Actuarial Memoradum for a detailed breakdown of the future loss ratio and projected Federal MI

The historical time periods should represent calendar years since the inception date of the plan type through the most recent date available allowing for the appropriate amount of run-out.

In instances where the start dates and end dates do not line up with a calendar year, partial years should be used. The interim time period the time between the end date of the "Most Recent Date Available" and the rate effective date.

The future year should represent the 12 months immediately following the rate effective date.

# Consumer Adjusted Premium Rate Development

Index Rate for Projected Period PMPM	\$475.35
Risk Adjustment PMPM	\$0.00
Gross Reinsurance Contributions PMPM	(\$22.29)
Removing Pediatric Dental Allowed Cost	(\$8.00)
Exchange User Fees PMPM	\$0.00
Market Adjusted Index Rate PMPM	\$445.06
Adjusted Market Index Rate based on Paid Claim Pricing Methodology	\$26.12
Starting Allowed Amount for Pricing	\$471.18

Product	Vermont HMO Contract Ind/Grp	N/A	Vermont HMO Contract Ind/Grp
Product ID	77566VT004	N/A	77566VT004
Plan ID	77566VT0040001	N/A	77566VT0040002
	Platinum	Platinum	Gold
Metal Tier	(with highest Metal AV)	(with lowest Metal AV)	(with highest Metal AV)
Metal AV Value	0.880	N/A	0.795
Pricing AV Value	0.907	N/A	0.836
Projected Member Months	7512	N/A	1968
Market Adjusted Index Rate PMPM	\$471.18	\$471.18	\$471.18
Plan Adjustments (in multiplicative format)			
Actuarial value and cost-sharing design of the plan	1.016	N/A	0.899
Adding in Plan Specific Pediatric Dental Net Claim Cost	1.015	N/A	1.014
Provider network, delivery system characteristics and utilization management			
practices	1.003	N/A	1.003
Plan benefits in addition to EHB	1.000	N/A	1.000
Expected impact of special eligibility categories (only for catastrophic plans)	1.000	N/A	1.000
Plan Adjustments (in % format)			
Distribution and administration costs	15.6%	N/A	15.7%
Plan Adjusted Index Rate	\$577.30	#VALUE!	\$511.31
Age Calibration Factor	1.000	1.000	1.000
Geography Calibration Factor	1.000	1.000	1.000
Aggregate Calibration Factor	1.000	1.000	1.000
Consumer Adjusted Premium Rate PMPM	\$577.30	#VALUE!	\$511.31

2015 Rates Table Te	mplate v4.0	To validate press Validate but	ton or Ctrl + Shift + V. To finalize	e, press Finalize button or Ctr	rl + Shift + F.							
	If you are a community rating state, select Family Option under Age and fill in all columns.  If you are not community rating state, select 0-20 under Age and provide an Individual Rate for every age band.											
		If Tobacco is Tobacco User/No	on-Tobacco User, you must give	e a rate for Tobacco Use and	Non-Tobacco Use.							
		To add a new sheet, press the	Add Sheet button, or Ctrl + Sh	ift + S. All plans must have th	e same dates on a sheet.							
	HIOS Issuer ID*	77566	j									
	Federal TIN*	14-1640868										
	Rate Effective Date*	1/1/2015										
	Rate Expiration Date*	12/31/2015										
									Family Tier			
Plan ID	*	Rating Area ID*	Tobacco*	Age*	Individual Rate*	Couple *	Primary Subscriber and One Dependent*	Primary Subscriber and Two Dependents*	Primary Subscriber and Three or More Dependents*	Couple and One Dependent*	Couple and Two Dependents*	Couple and Three or More Dependents*
Required Enter the 14-charac		Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non- Tobacco or No Preference enrollee on a plan	Required: Enter the rate of a couple based on the pairing of a primary enrollee and a secondary subscriber (e.g. husband and spouse)	Required: Enter the rate of a family based on a single parent with one dependent	Required: Enter the rate of a family based on a single parent with two dependents	Required: Enter the rate of a family based on a single parent with three or more dependents	Required: Enter the rate of a family based on a couple with one dependent		Required: Enter the rate of a family based on a couple with three or more dependents
77566VT0050001		Rating Area 1	No Preference	Family Option	672.55	1345.10	1298.02	1298.02	1298.02	1889.87	1889.87	1889.87
	77566VT0050002	Rating Area 1	No Preference	Family Option	595.68	1191.36	1149.66	1149.66	1149.66	1673.86	1673.86	1673.86
	77566VT0050004	Rating Area 1	No Preference	Family Option	599.00	1198.00	1156.07	1156.07	1156.07	1683.19	1683.19	1683.19
	77566VT0050005	Rating Area 1	No Preference	Family Option	504.35	1008.70	973.40	973.40	973.40	1417.22	1417.22	1417.22
	77566VT0050006	Rating Area 1	No Preference	Family Option	474.43	948.86	915.65	915.65	915.65		1333.15	1333.15
	77566VT0050007	Rating Area 1	No Preference	Family Option	478.52	957.04	923.54	923.54	923.54		1344.64	1344.64
	77566VT0050009	Rating Area 1	No Preference	Family Option	397.72		767.60		767.60		1117.59	
	77566VT0050010	Rating Area 1	No Preference	Family Option	405.69		782.98		782.98		1139.99	
	77566VT0050011	Rating Area 1	No Preference	Family Option	403.43	806.86	778.62	778.62	778.62	1133.64	1133.64	1133.64